Social Security Units of Assessment: an International Survey of the UK, Netherlands, Republic of Ireland and Australia and its Implications for UK Policy Reform

MAIN REPORT

SOCIAL SECURITY UNITS OF ASSESSMENT: AN INTERNATIONAL SURVEY OF THE UK, NETHERLANDS, REPUBLIC OF IRELAND AND AUSTRALIA AND ITS IMPLICATIONS FOR UK POLICY REFORM

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Abstract

This report examines social security units of assessment (UoAs) and considers the issues involved in moving towards an individualised system of social security. We consider in some detail issues of what kinds of UoAs matter, when, for whom, and why, together with the possibilities for beneficial reform in the UK. Its remit is confined to the social security and emergent tax credit systems for working-age people. It examines the experience of the UK in the light of the policy legacies and issues arising in the context of Ireland, the Netherlands and Australia. The issue of aggregation for state-provided social protection – be it through the tax or social security systems - remains an unresolved issue that must be addressed as part of any gender equality strategy.

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CHAPTER ONE

WHAT ARE UNITS OF ASSESSMENT AND WHY DO THEY MATTER?

What are units of assessment?

This report examines social security units of assessment (UoAs) and considers the issues involved in moving towards an individualised system of social security. Units of assessment refer to the unit that is used for the purposes of calculating benefit entitlement (the 'resource unit') and paying the benefit ('the payment unit') (Eardley et al, 1996; Millar and Warman, 1996). Units of assessment fall into one of two types: individual or family/household. Individual UoAs are largely associated in the UK with contributory (National Insurance) benefits, categorical (contingent) benefits, while household UoAs are associated with means-tested (social assistance) benefits. The former are calculated on the basis of an individual claimant's work record or severity of disability or incapacity, while the latter are calculated on the basis of the combined income and resources of adult members of the household in which s/he resides (i.e. partner and in some cases other adult non-dependants) (the amount paid is also based on the composition of the household). Within the social security system of a single country, the definition of benefit and of resource units may vary between benefits, and even between claimant groups - for example between heterosexual and homosexual couples. The most complex units of assessment are usually for means-tested benefits within which up to four different units of assessment may be used in the process from claiming to receiving payment: claiming (who applies for benefit); entitlement (which people are taken into account when calculating benefit); coverage (who the benefit is supposed to pay for); and payment (who receives the money) (Roll, 1991). It is the last of these which has received most policy and scholarly attention. Within the real lives of individuals several different assessment systems may apply at any one time.

Why do units of assessment matter?

Social assistance and other social security payments are intended to be the citizen's last defence against poverty, destitution and adverse circumstances, yet where such assistance is paid to 'the head of the family/household' on behalf of others within that unit, the state has in effect delegated this last defence function to the payee. Moreover, those others within the unit whose resources have been channelled to the payee do not therefore have the same entitlement to social protection from the state as other citizens. It is not within the scope of this report to fully review the evidence on individual or 'hidden poverty' within household units, or to defend an individual vs. a household definition of poverty; nonetheless, these issues, together with the effects of social security benefit receipt on the labour market behaviour of both payees and those other household members on whose behalf they receive payment, form the backcloth to the otherwise forbiddingly 'technical' issue of assessment units and aggregation.

This report considers in some detail these issues and the possibilities for beneficial reform in the UK. It considers the working-age population and does not consider pensioners. Its remit is confined to the social security system. We do, however, consider tax credits through the UK's tax credit system, which is as yet a work in progress rather than a well defined architecture, in addition to 'traditional' social security benefits. The issue of aggregation for state-provided social protection – be it through the tax or social security systems - remains an unresolved issue, a 'policy gap' in New Labour's income maintenance policy (see McLaughlin et al 2001 and Rake 2000).

Although the basis of entitlement to National Insurance benefits in the UK is essentially individual, the social insurance system has also provided for dependants' allowances (that is, derived rights), thus merging principles of individual entitlement and familial aggregation. Derived rights are rights acquired by a spouse or other dependants of an insured person, although they are usually only payable after the insured person's death. In most countries today, some parts of the fiscal system are based on individual assessment. Most commonly, this is individual or separate taxation of husbands and wives, and individual entitlements to social insurance benefits. However, other parts of the fiscal system are based on joint assessment of the nuclear family (most commonly defined as couples and their dependent children, if any). For example, in social assistance, as we show in Chapter Four, eligibility for benefit is usually assessed on the basis of the combined income and/or number of hours worked by both partners. Another way in which joint assessment is used is in the assessment of, and recovery from, the extended family of public funding of the long-term care needs of elderly disabled adults (although this has proved very difficult to enforce) (see Glendinning and McLaughlin, 1994).

The post-war years in Europe saw a general movement towards greater individualisation of fiscal treatment and towards privacy and independence within the context of international Human Rights instruments. Indeed the recent UK extension of the principle of aggregation through the development of tax credits appears paradoxical in that context. The development of integrated tax/benefit measures and the accompanying extension of means-testing within the UK means an increasing number of people rely for all or part of their income on familially-aggregated provision. However, a social divide is growing between those adults who avoid all aggregation by living alone or by having high enough earned incomes to avoid both tax credits and traditional benefits on the one hand and those who partner with or without children and have low enough household incomes to enter the tax credit net or insecure enough incomes to claim traditional benefits, on the other. These trends are transforming the political importance of issues of aggregation. As such, the question put by Esam and Berthoud (1991) a decade ago, 'is it either essential or justifiable to assess the resources of couples jointly for social security purposes?' should be addressed. Relatedly, the question of whether it is essential or justifiable to pay social protection for several individuals to just one of them must also be answered.

The principle of familial responsibility for its members has existed in the UK and other countries' social security systems for centuries, in the forms of various liabilities of family members to maintain one another, and as a result women's social rights throughout the developed world are still closely associated with their family (marital and parental) status. Views of the appropriateness of these liabilities have, not surprisingly, changed considerably, especially since the 1970s. While 'dependency' on the state is seen as undesirable by almost all, 'dependence' on other family members is viewed by many but not by all as an acceptable and 'natural' function of the family (Webb, 1991: 45). The consequences of this acceptance of individuals' submergence within the family unit are that most married and cohabiting women lack individual entitlement to social security benefits, and have little or no independent incomes unless they are in paid work. Yet many will be dissuaded from taking up, or staying in, employment, or increasing the number of hours they work because of the effects their actions will have on their partner's benefit or tax credit payments. The institutionalised assumption in the UK of the idea that the social protection of non-employed women (often mothers of young children) should be secured by their appeal to the grace and favour of their husbands or cohabiting male partners, may no longer be in tune with younger women's or men's views of what is 'natural', normal and desirable.

Furthermore, the use of couples' resources to determine benefit eligibility assumes that all income entering the household is equally shared or distributed amongst them, yet only a minority of couples actually pool their incomes fully (Pahl, 1980). The pooling assumption has immediate and very direct consequences for women's incomes. A woman who is married to, or cohabiting with, a working male partner is usually unable to claim Income Support, whatever her personal income, as his wages bring the household resources above the income threshold at which means-tested benefits 'cut in'. The shift towards greater reliance on means testing over the last two decades, ostensibly as a strategy of 'targeting' of resources on those in greatest need, has failed to address the personal income needs of women and has contributed to 'depressing' the incomes of households, particularly low-income households.

The individualisation agenda therefore opens up questions about the appropriate role of the family in income maintenance as well as the value placed by the state on social reproduction (that is, mothering and other caring). Both the financial obligations of fathers towards their non co-resident children and ex-partners and the obligations of adult children in respect of the health and social care of their elderly parents have brought to the fore similar issues around the appropriate responsibilities of family members towards each other in modern societies. The Child Support reforms of the 1990s in particular crystallised many of these issues as we discuss in Chapter Two. Political debate on, and opposition to, UK Child Support arrangements created deep divisions in social attitudes towards the financial liabilities of adults in intimate relationships towards each other.

The use of the nuclear family as the combined benefit, resource and payment unit also raises a range of administrative 'problems', most notably how to define when two people living in the same household constitute a couple and how to define when a child ceases to be 'dependent'. As regards the former, the operation of the cohabitation rule in the 1960s and 1970s meant that women with male lodgers, women with male friends, and women whose former partners maintained access to their children all fell under suspicion of cohabiting and were subject to investigation to determine their proper benefit entitlement and rate of payment (McLaughlin, 1999: 181).

Parents on low incomes or unemployed and claiming Housing Benefit with employed children living at home have their benefit reduced on the assumption that their working children are contributing to the household rent. In this case, the unit of assessment functions works to 'cap' the family incomes of the poorest families. Most adversely affected are parents in receipt of benefit living with unemployed adult children (over 18s). It should be noted that these assumptions and their effects apply only to heterosexual couples since gay and lesbian couples are not recognised by the UK social security (or taxation) systems. Individuals in gay couples apply for and receive individual rates of the relevant fiscal provision, whatever the personal incomes of each partner and whatever the degree of resource pooling which actually occurs between them.

Issues of aggregation thus affect the personal incomes of some of the most vulnerable individuals and households in modern society. They also affect labour supply and patterns of household formation and dissolution, particularly the propensity of adult couples to enter into heterosexual unions. Aggregation also bears on the arrangement of personal financial assets: sources of income, which can be transferred, will be transferred out of the ownership of a claimant or their partner so as to maximise his/her receipt of benefits. Dual addresses may be used to maintain a fiction of having alone and having no partner. Webb referred to these as 'creative claiming' strategies (Webb, 1991: 41).

The structure of this report

We consider further how units of assessment issues have featured in UK policy thinking and development during the post war period in Chapter Two, before reviewing the theoretical and policy concerns underpinning the individualisation reform agenda in Chapter Three. In Chapter Three we consider marginal tax rates as they apply to second earners within families and review evidence from the UK and other countries in the EU and further afield as to the effects these have on labour market participation and women's personal incomes. Chapter Four provides an overview of units of assessment in EU countries. Chapter Five focuses in depth on individualisation and aggregation experiences on the Republic of Ireland. Chapter Six does likewise in respect of The Netherlands and Chapter Seven in respect of Australia. Our focus on the first two of these countries hereafter described as the European case study countries is due to the fact that they share with the UK a common historical past in terms of both social security policy and broader cultural and economic traditions. Australia has been included, albeit in rather less depth, in order to include some especially interesting policy developments in the field of aggregation and individualisation and to provide a non-European perspective. Finally, in Chapter Eight we address types of individualisation and aggregation reforms which could be adopted and suggest criteria for selecting between these options.

CHAPTER TWO

THE POST-WAR HISTORY OF AGGREGATION IN THE UNITED KINGDOM

Introduction

Although UK social policy has seen extensive discussion of the appropriate role of social assistance and social insurance, issues of aggregation and fiscal policy assessment have received far more cursory treatment both in academic and public debates. Generally speaking, these debates have been concerned more with the form than with the content of family life; that is, they have been more concerned with differences or similarities of treatment between different family types than with the welfare of individuals within families. The history of social security policy and administration in the UK exhibits a remarkable degree of continuity in respect of the familial assumptions and principles that have underpinned it. Family responsibility (i.e. the liability of family members to maintain one another) and personal responsibility (i.e. self-reliance) have been enduring concerns and guiding principles of welfare policy debate ever since the Poor Laws. The household or family rather than the individual have been deemed the appropriate units of intervention, both for assessment of eligibility calculation and for the payment of benefits. This has reflected two assumptions: firstly, that it is right and proper for women to derive their financial security from the men with whom they reside; secondly, that social insecurity is primarily the result of the failure of the (male) 'family wage', whether because of low earnings or because of interruptions to male employment. Accordingly, it was assumed that if the problem of male unemployment were solved, women's need for social protection would also disappear (McLaughlin, 1999). The consequence of this way of thinking has been that not only have women's personal incomes been limited but that personal income insufficiency among women has not been regarded as a legitimate policy problem in the same way that male personal and household income insufficiency has been. The evolution of policy thinking, debate and practice around these issues from 1945 to 1995 is outlined in this chapter, while Appendix One outlines some of the main developments since 1997.

The immediate post-war period

Welfare policy debates and development in the immediate post World War II period in the UK are often characterised as reflecting a profound shift in public attitudes - a rejection of poor law selectivism and an embrace of collectivism, social solidarity and egalitarianism. Certainly, post WWII reforms can be understood in part as a reaction against the extensive pre-war use of means-testing across a range of welfare provisions - in housing, education, health, as well as social security. The use of the household means test for the purpose of administering unemployment assistance (1931) generated popular hostility because it involved an intrusive enquiry into the financial circumstances of all members of the household (their possessions and income). The calculation and payment of means-tested benefit was associated with the methods of the poor law; its receipt signified entry into a 'less eligible and less secure class' (Bakke, 1935, cited in Deacon and Bradshaw, 1983: 7). It entailed a possible withdrawal (partial or full) of benefit, the effect of which was to render claimants financially dependent on other household members. In other ways, too, the principle of family responsibility had been enshrined through the 'family wage' and the financial dependency of married women on their husbands for the purpose of social security benefits.

Notwithstanding popular opposition to the means test, in government circles it enjoyed considerable support on a range of grounds, such as containing public spending, social justice (by targeting resources at those who 'genuinely' needed it), and upholding self-reliance and family responsibility. Despite governmental support for the household means test, the 1941 Determination of Needs Act replaced the household means test with a family means test which restricted the test to the resources of adult (heterosexual) couples. However, this 'new' method of calculating benefit entitlement simply underwrote married (and cohabiting) women's financial dependency on their male partners. The 1944 review of assistance by the Assistance Board had as its goal the simplification of the benefits system. While the Board recommended an increase in the scale rates set in order to render benefits adequate, it did not consider how the administration of benefits or in particular the principle of aggregation rendered social security inadequate for married women and children by perpetuating ‘hidden’ poverty.

From a gender perspective, therefore, the profound shift in the policy paradigm towards egalitarianism that is said to have occurred just after the Second World War is not evident. Even the Beveridge Report (1942) assumed that married women's benefits need not be on same scale as those of married men (or single women's) since most women would make marriage their sole or main 'occupation'. Any wages married women earned would merely be 'pin money' and their financial needs would be provided for by their husband. In other words, the Beveridge plan attributed married women's financial security to their husbands rather than to the state social security system. This meant the state relied on husbands to claim for their wives and then to distribute the resultant income in whatever way they saw fit (McLaughlin, 1999: 181; Land, 1994; Lister, 1994).

This strengthening of the family wage and family responsibility through the social security system in the 1940s was not unopposed. Indeed, it took place against the background of vociferous debate and campaigns. Trade union leaders were committed to solving child poverty by gaining for male wage earners an income sufficient to support all their dependants without further subventions from the state. Throughout the pre- and post-war period a number of campaigns were also waged to promote the economic independence of women to support themselves and their children. Thus, Eleanor Rathbone and the Family Endowment Society (FES) argued that in supporting a uniform, adequate 'family wage', trade unions leaders were

> influenced by a secret reluctance to see their wives and children recognised as separate personalities, 'each to count for one and none for more than one' in the economic structure of society, instead of being fused in the multiple personality of the family with its male head. (Rathbone, 1924: 37)

Rathbone and the FES campaigned for an endowment of motherhood - a state allowance or 'salary' for childcare - which they firmly linked to the need for equal pay (Wilson, 1977). Being paid to mothers, ‘family allowances would reduce the dependence of wives upon husbands and would undermine the principle of the “family wage”, a doctrine that put women at a serious disadvantage in the labour market’ (Pascall, 1997: 219). Trade unions were concerned that family allowances would intensify the downward pressure on wages; others feared that such a step would undermine family responsibility (Wilson, 1977: 122). Economic independence was one of the arguments in favour of social dividend schemes, first proposed in the 1940s (Esam and Berthoud, 1991). Beveridge's policies were also opposed by the Women's Freedom League, which criticised the failure to give women independent status in social security (Williams, 1989):

> It is with the denial of any independent status to a women because she is married, the denial of their independent personality within marriage, that everything goes wrong and becomes unjust and ungenerous...Women's value is recognised in words, but there is no practical recognition of the needs of this central figure in our social economy. No independent status is given to her as citizen and worker. (Abbott and Bompas, 1943: 3-4)

As we (McLaughlin, 1999; McLaughlin and Yeates, 1999) have previously argued, the assumption in both the contributory and non-contributory parts of the social security system that mothers, and by extension all adult women, are or ought to be exclusively engaged in unpaid caring work in the home, that any paid work they do outside is peripheral and that married or cohabiting women should look to men for financial support, has been part of more general social policies and provisions. These push women into, or keep women in, unwelcome family forms and relationships as well as holding them responsible for unpaid caring work ('informal care') into which they are drawn with varying degrees of reluctance or enthusiasm, inhibiting women's labour market participation and their incomes. On the other hand, separated, divorced and unmarried mothers, and women without children who were not cohabiting with a male partner have, since the late 1940s, been able to receive general-purpose social assistance benefits in their own right if they establish an independent household. This 'right' to income from the state has until recently allowed lone mothers in the UK to claim such benefits without having to be available for paid work until their youngest child attains the age of 16. Moreover, widows, both with and without children, could claim widow's pensions and benefits on the basis of their husband's insurance record (if he had one). Indeed, although social policy has sought to support both the economic system and the institution of the family, in many circumstances a woman with children will have been better off setting up an independent household and drawing social security in her own right rather than depending on a man who is earning very low wages or unemployed. For example, a woman alone has been more likely to be awarded exceptional needs grants (Wilson, 1977: 96; for other examples see McLaughlin et al, 1999).

Family allowances

Despite the assumption that wives should look to their husbands for financial security, pressure was mounted in the 1940s for the introduction of a system of family allowances for low-income families and for a greater contribution to be made by the state towards the costs of child care, particularly as growing sections of the workforce were now receiving child tax allowances (introduced in 1909). The policy debate over the payment of family allowances focused on, firstly, how the purpose of family allowances should be defined and whether allowances should be paid selectively rather than to all families, and, secondly, whether family allowances should be paid to the father rather than to the mother (Lewis (1991: 87). Modern readers will not be surprised to find that on the first issue, the Conservative party supported curtailing the overall cost by making family allowances either contributory or means-tested, while the Labour party urged that allowances should be universal (i.e. payable to all children of all parents) (Vincent, 1991). In the event, universalist family allowances for the second and subsequent children were introduced in 1945; the first child was not included in recognition of the principle of family responsibilities towards the costs of raising children. Regarding the issue of to whom family allowances were to be paid Rathbone pressed for these to be paid to mothers through the post office since it was they who assumed primary responsibility for children's welfare. Paying family allowances to wives/mothers would furthermore provide a modicum of independent income and lessen their (and their children's) dependence on their husband/father for their economic welfare. These were, however, modest economic gains to mothers compared with the economic value of child tax allowances which gravitated towards the 'wallets' of white-collar workers, and which, by 1938 cost twice as much as family allowances did when they were introduced in 1945 (Vincent, 1991: 72). Moreover, the introduction of universal family allowances owed very little to a concern with social justice or with women's economic independence, and a great deal to the belief that they would maintain work incentives and help to curb wage demands on the part of the male workforce (MacNicol, 1978; Lewis, 1991).

Beveridge had expected that social assistance would assume less importance over time as a means of ensuring financial security, but the role of means-tests expanded during the following decades and, as Vincent notes, by the mid-70s at least 45 separate means-tests were in operation and three million people were in receipt of national assistance payments - three times the number in 1948 (1991: 170). The state's systemic dependence on means-tested benefits to ensure adequate income has had negative consequences for women due to the aggregation of couples' incomes underpinning them.

The 1970s and the development of in-work benefits

The drift towards means-testing was consolidated by the Conservatives in the 1970s, in particular by the introduction in 1971 of a new benefit - Family Income Supplement – a top-up to the low wages of full-time workers. Proposals for FIS had first been developed under Labour in 1967 but were defeated by opposition from trades unions and backbenchers (Deacon and Bradshaw, 1983: 80). As McLaughlin (1994) argued, FIS was introduced as a result of the failure, inadequacy and inefficiency of 'the family wage' for men, combined with the inadequacies of family allowance and child tax allowances, especially for families where one or both earners were unskilled or unqualified. FIS was essentially devised as an alternative to up-rating universalist family allowances and it targeted working families rather than all families. Ostensibly designed to improve work incentives, FIS made up half the difference between income and a set scale and was payable for six months, irrespective of any change in circumstances. Both two- and one-parent families were entitled to FIS, but in the case of two-parent families, the man had to be the claimant and breadwinner (Deacon and Bradshaw, 1983: 81; Wilson, 1977: 93). In addition to the problem of low take-up, was that of the 'poverty trap' (Field and Piachaud, 1971) as every increase in the breadwinner's earnings was penalised by a corresponding loss of benefit, thereby entrapping the poor at, or just below, subsistence level. The accumulation of taxes and benefits on the marginal incomes of low-paid families not only undermined the work incentives of recipients, but also discouraged their female partners' labour market participation (McLaughlin 1994).

In response to these criticisms, when the Labour Party returned to government in 1974 it retained FIS but combined child tax allowances and family allowances into a single Child Benefit, payable to the mother from 1977. Labour faltered in its resolve to merge family allowances and child tax allowances into the new child benefit because of the financial transfer that would take place from the male wallet to the female purse. Male trade unionists were not keen to see men's tax advantage in respect of child tax allowances disappear (Land, 1977; Lewis, 1991; Pascall, 1997). Child Benefit was paid to the mother on a universal basis; its receipt was not dependent on a test of means, contribution records, employment or marital status (Pascall, 1997). However, the level of the award was, and has remained, very low. As Pascall (1997) argues, this reflected both women's poor bargaining position and governmental reluctance to undermine the male breadwinner principle. Notwithstanding that, Child Benefit has been of great importance to mothers as a source of independent income, a point which will again be recognised if the new integrated child tax credit, which will replace Child Benefit and is under development is, as currently proposed, paid to the mother.

The 1970s and the introduction of carer benefits

The issue of an independent income for women also arose at this time with the introduction in 1976 of the Invalid Care Allowance (ICA), a non-contributory, non-means-tested benefit. This benefit was introduced as a result of lobbying on behalf of single women caring for elderly parents who wanted a non means-tested benefit in their own right (prior to this informal carers either relied on social assistance or on those to whom they provided care) (McLaughlin 1991). The purpose of ICA was to protect incomes by partially replacing earnings lost or foregone in giving up paid work because of full-time caring responsibilities. It was available for men and single women 'of working age who would be breadwinners but for the need to stay at home and act as unpaid attendants to people who are severely disabled and need care'. A limited amount of 'short' part-time working was, and still is, permitted without it affecting benefit entitlement. However, the rate of ICA was (and remains) very low so that it has limited value in replacing earnings; it was originally set at 60 per cent of short-term contributory benefits, regardless of how much care is provided or how long care giving continues (ibid.). The formal exclusion of married women from ICA embodied a central tenet of Beveridgean social security, namely that care-giving was a natural part of married women's 'duties' (Baldwin, 1994): ICA was designed only to cover 'exceptional' circumstances, which did not include married women it was assumed that they would be available to provide care on a full-time basis anyway.

The Donnison Review

Although the ICA and CB highlighted the issue of the need for social security to provide an independent income for women, the only time that the question of independent benefits as a general principle of the social security system was officially considered during the post-war period was during the 1978 review of social assistance, chaired by David Donnison. The aim of the Donnison review was to create 'clearer and more public rules based on simpler criteria covering the common and predictable needs...of claimants' (DHSS, 1978: 5). The review was principally confined to Supplementary Benefit (SB), and it was accepted that the review team would not make any recommendations which would lead to a net increase in expenditure or staffing requirements (Deacon and Bradshaw, 1983: 113). The review team considered, but subsequently ruled out, individual assessment 'on the grounds of expense and the unwarranted inequities of paying benefit to the partners of prosperous husbands or wives' (DHSS, 1978, para 11.7). The grounds for this conclusion are unclear, given that 'the 1978 report did not calculate the actual cost of moving towards individual assessment of benefits; nor did it assess the extent to which partners in prosperous families would benefit from a such a change in practice' (Esam and Berthoud, 1991: 5). Nonetheless, in 1979 the SB Commission concurred with the Donnison Review's conclusions:

> Benefit is paid for the claimant, his spouse and their dependent children, if they are living with him. This reflects the assumptions of the overwhelming majority of people in Britain. To change to a system where adults were means-tested individually would mean giving benefit to the wives of well-paid men without regard to their husbands' earnings. It would bring a great increase in the cost and the extent of means-testing; and the means test would become much more intrusive. (Supplementary Benefits Commission, 1979)

The Fowler Review

The 1985 Fowler Review (DHSS, 1985) was described by the government as a 'comprehensive' review of the social security system although no thought was given to the specific implications for women of the Review's key objectives which were to target resources on those in greatest need, enhance self-reliance and independence, contain public expenditure, improve work incentives, and simplify the social security system. The Review was criticised by the Social Security Advisory Committee (SSAC) (1985) as having failed to address women's changed economic and social position since Beveridge and to consider their circumstances and needs (Lister, 1992: 31). In fact, the unit of assessment did not even merit specific discussion (Lister, 1992), a remarkable silence given that work incentives were among the most important issues discussed in the 1980s and also that independent taxation was introduced in 1990 (Esam and Berthoud, 1991).

The omission of any explicit consideration of the issue of independent assessment did not mean that the Review did not touch on the subject at all. It floated the idea of abolishing Child Benefit entirely and proposed to replace FIS with Family Credit, again, paid through the wallet. As Lewis (1991: 87) notes, 'the justifications for these changes were not too dissimilar from those underlying Ramsay MacDonald's objections to family allowances earlier in the century, namely that there was 'no reason' to suppose that working men would not provide for their wives and children'. However, by 1985 there was already plenty of evidence which gave reason to believe wives and children were not necessarily adequately provided for by their working or unemployed husbands. Several studies in the 1970s had revealed hidden pockets of family poverty caused by husbands' failures to pass on a share of their wages to their wives in the form of a housekeeping rise (Wilson, 1977: 80). Pahl (1980) and Vogler and Pahl (1993) showed that only one in five couples had the sort of joint pool that is assumed in the concept of family income, which underpins official poverty low income statistics and the principle of aggregation of couples' resources in social security (see also Davies and Joshi 1994; Evason, 1991; McLaughlin 1999, 2000; Rake 2000). The gap between these assumptions and the realities of resource distribution within households means that, first, some family members may be in poverty, while others are not, and, second, that the depth of poverty for some members in poor households may be greater than for others. It also means that women are poorer than men: as Falkingham and Hills (1995) have shown using LIFEMOD, working on the assumption that households resources are equally shared, 71 per cent of women were located in the bottom lifetime income group; when unequal sharing of resources is assumed, the proportion of women in the bottom lifetime income group rises to 81 per cent on the basis of 80 per cent of net income pooled, and to 88 per cent on the basis of 60 per cent of net income pooled. Furthermore, studies of divorced and separated women have shown that around a third of such women regard themselves as better off outside than inside marriage (Millar, 1996; McLaughlin, 1999).

As Esam and Berthoud (1991) argue, although the Fowler Review did not explicitly refer to issues of aggregation and disaggregation,

> the division of benefits between men and women was more relevant to the Fowler plan than at first appeared. It was important to the original conception of family credit as a nascent tax credit that it should be added to wage packets. The money

would almost always go the father. However, the government eventually agreed to pay family credit direct to the mother, as the parent most likely to make use of it to meet the needs of their children. The retention of child benefit, also paid to the mother, is another indication that assumptions about the sharing of income were not as 'overwhelmingly' held as the Supplementary Benefits Commission had claimed a decade earlier. (1991: 5)

In similar vein, McLaughlin commented,

> the 1985 Green and White Papers on social security...stated that the social security system had to 'trust' men as breadwinners to distribute their income (either benefits or earnings) 'responsibly'. It is worth noting the use of the word 'responsibly' here, in preference to, say, equitably. This signifies the way the state, through the social security system, has not only relied on a particular family form (in design and administrative terms) but has also approved a specific kind of familial relationship: that it is a man's decision how much money his wife (or cohabitee) and children 'need'. Thus the welfare of married women and children has been deemed to be the responsibility of individual men not the state. (1999: 181)

A parliamentary answer from the then Prime Minister also points to a normative element in the assumption that the social security system can rightfully expect married (or cohabiting) couples to share their resources:

> all the income-related benefits including community charge benefit, follow the principle that couples share their income and capital resources, and their claims for benefits are assessed jointly. The Government believes that it is right for couples to share the responsibility of running their homes and paying their bills. (House of Commons Hansard, 1990, cited in Lister, 1992: 64)

The 1990s and child support reform

The liability, or responsibility, of family members to maintain one another was given a further lease of life by the 1991 Child Support Act, which attempted to create the male breadwinner family model even where parents with dependent children no longer live together (Pascall, 1997). The government was concerned that separation and divorce should no longer be a mechanism by which fathers could pass on their duty to maintain their children to the taxpayer. The Act sought to strengthen the principle of family responsibility, a responsibility enforced by the Child Support Agency (CSA). Absent fathers are not only obliged under the Act to maintain their children - an obligation firmly rooted in centuries-old common law - but also the mother(s), as the carer(s) of their children, irrespective of the parents' marital status (Land 1994: 97). While some championed the CSA as a significant measure to redistribute wealth in women's favour, others were sceptical about the wisdom of the restoration of financial dependence of both the mother and child(ren) on the male partner/husband. Moreover, greater priority, it seemed, was given over in the child support reforms to saving public expenditure than to improving the incomes and living conditions of women and children since no financial advantage was gained by women on Income Support as a result of co-operating with the CSA. The degree of control over, and intrusion into, men and women's sexual and personal relations associated with the Act and Agency was unprecedented in British history. In this respect, resource transfers between parents, formerly considered a 'private' matter in social security and an impediment to the introduction of individual assessments became a public matter, and the subject of state regulation.

The 1990s and the Commission on Social Justice

The backdrop of growing reliance on means-testing during the post-war period was considered at some length by the Commission on Social Justice (1994). The Commission argued in favour of individualising social security entitlements on the grounds that 'the more the benefits system recognises women as individuals, the more it will encourage partners to stay together [i.e. by removing the disincentives for couples in receipt of means-tested benefits to live together], as well as tackle poverty and increase personal autonomy' (1994: 249). The Commission favoured a strategy of extending the role of social insurance rather than the alternative of disaggregating means-tested benefits as the means of individualising social security. The disaggregation of means-tested benefits for the purposes of calculation of eligibility and payment would, it argued, both undermine the purpose of means-testing and further extend state intrusion into personal affairs (ibid.). On the other hand, social insurance benefits already embody individual entitlements and do not create the kinds of work and savings disincentives inherent within means-tested benefits. However, the

Commission was also clear that a strategy to revitalise social insurance should adopt a different approach to families, recognising family responsibilities which affect in particular women's ability to take up paid employment and consequently their lifetime incomes. Consequently, it proposed ‘a modernised social insurance system, designed to help unemployed people to take employment, and to enable parents and carers to fulfil family responsibilities without risking future security’ (1994: 302). The details of those proposals are presented in Chapter Six. In the following discussion we present some data illustrating the outcomes of this history for women’s personal incomes and their receipt of social security benefits.

The personal incomes of men and women in the UK

People have, or potentially have, several sources of personal income:

(i) Market income, which has two principle sub-divisions - earned income and unearned income from assets such as savings, shares, housing property, ownership of means of production, etc.;

(ii) Social income from fiscal transfers through the tax/benefit system;

(iii) Familial income, such as shares of the income of someone else in their family or household (including ex-spouses). Beyond a general mutual duty of financial support, however, members of families in Britain as in Ireland do not have enforceable rights to shares in the incomes of the ‘head of household’ or other members. This contrasts with the explicit financial obligations of absent fathers, although all developed societies have been singularly unsuccessful at enforcing the principle of transfer of substantial resources from absent fathers to lone mothers with the care of children.

As regards Britain, Esam and Berthoud (1991) calculated that 4.6 million women in Britain in 1991/2 had independent incomes from the first two of the income sources above of less than £25 a week compared with only 0.4 million men.

It has traditionally been held to be one of the functions of social security and taxation systems to mediate through transfers the impact of differential or earned income between social groups - principally between social classes. (The other principle function is the redistribution of income over one's own life course). However, the extent to which Western social security systems perform this mediating function as between the incomes of women and men has been poor. As table 2.1 shows, women in the UK in 1998/1999 on average received £174 less per week from market sources than men, but only £9 a week more through the social security system. The remaining gap of £165 a week was only marginally (£5 a week) offset by women's greater receipt of income from other sources - for example, maintenance from ex-spouses.

Table 2.1 Individual income 1998/9 (average gross weekly individual income of people aged 16 or over) Great Britain

	Women		**Men**	
	£ per week	% of total income	£ per week	% of total income
Source of income				
Earnings	103	61	221	67
Self employment	8	5	40	12
Occupational pensions	8	5	26	8
Investment	8	5	14	4
Sub total	127		301	90
Benefit income (including state pension)	36	21	27	8
Other income	5	3	5	2
Total income	169	100	332	100

Source: DSS Analytical Services Division, in EOC 2001

Trewsdale et al (1999) and McLaughlin et al (1999), using Northern Ireland Labour Force Survey data, showed the extent of earnings inequality between working-age men and women. At £102.00 the average (mean) weekly income for women was merely 61 per cent of that of males (£166.63); using the median, the average weekly income for women was 58.4 per cent of that of men (Trewsdale et al: 1999). These inequalities in market income are reproduced in the amounts of weekly benefit income of men and women. Although the average amount of weekly benefit received by those in employment was slightly higher for men than for women (by about £5), the average amount received by the unemployed was 66.5 per cent per week greater for men than for women, while the average amount received by the economically-inactive group was 63 per cent greater for men than for women (see table 2.2).

Table 2.2 Weekly benefit income: working-age only by economic activity by sex, 1994, Northern Ireland

Sex	Economic groups	N	£ mean	£ median	£ range
Male	Employee	82	32.53	26.20	133.20
	Unemployed	312	65.69	45.00	272.85
	Inactive	322	90.03	87.75	241.50
Female	Employee	564	27.18	18.10	133.52
	Unemployed	106	43.71	41.75	112.85
	Inactive	807	56.46	45.95	215.10

Source: Trewsdale et al 1999 table 3.6, p. 21

As regards women's personal incomes, the research showed that half of working-age women in Northern Ireland in 1994 had gross incomes below £73.10, and women's median incomes were 58.4 per cent of those of men (McLaughlin et al, 1999: 22). They further show that 15 per cent of women had no income whatsoever; a further 5 per cent had incomes of between £1 and £17; nearly two-fifths - 39 per cent of women of working age in Northern Ireland in 1994 had incomes of £45.70 or less per week, and over half - 51.6 per cent - had income of £76.50 a week or less. They conclude that 'nearly half the working-age female population in Northern Ireland had personal incomes below the levels the social security system defines as essential' (ibid: 23).

Of course, these figures provide only a crude estimate of the extent to which the social security system 'makes up for' differences in market incomes between men and women, since it takes all ages of adult men and women at a single point in time. A more sophisticated approach, in terms of evaluating the impact of a social security system, or a welfare system generally, is to control for the historical effects of, on the one hand, market change over time and, on the other, welfare change over time, by analysing the effect of the welfare system on a single age cohort over their whole life course (though this inevitably means that assumptions of a stable future have to be made and that the results are not generalisable to the total population). This was the approach taken by a team within the Welfare State Programme at the STICERD, London School of Economics, which, using a microsimulation model called LIFEMOD, analysed the effects of the UK welfare system on lifetime incomes and standards of living for a hypothetical cohort of men and women born in 1985 (see Falkingham and Hills 1995).

As they pointed out, the British welfare state achieves both inter- and intra- personal redistribution, but with the latter being on a larger scale. As it was structured in 1985, between two-thirds and three-quarters of gross lifetime benefits were self-financed (Evandrou and Falkingham 1995: 182). Nevertheless there was significant inter-personal distribution. The lifetime poor are generally the net gainers from the inter-personal redistribution that does occur and the lifetime rich the net losers. Further, women are net gainers from the system and men are net losers (ibid: 147). Evandrou and Falkingham conclude that men's lifetime original market-derived income is almost twice that of women's but that the tax and social security system, as it operated in 1985, made a substantial contribution to reducing inequality between men and women. They calculate that the tax and social security systems made a net average lifetime transfer from men to women of between £40,000 and £50,000 (ibid: 144), reducing the ratio between men's and women's net income to 1.4 (ibid: 182). A considerable part of the gain made by women is attributable to their greater longevity and to the payment of means-tested income supplements to retired women without either a full state retirement pension or an occupational pension. However, the degree of income transfer between men and women achieved by the tax/benefit system during the period of working-age is in comparison very small indeed, with substantial consequences for working-age women in terms of social inclusion, citizenship and autonomy. Importantly, Evandrou and Falkingham also point out that changes to tax and social security between 1985 and 1991 have acted to reduce the scale of redistribution generally, and particularly that between men and women. The changes over this period have meant that the average net lifetime transfer between men and women will have fallen by about 20 per cent (or between £8,000 and £10,000 at 1985 prices) (ibid: 147).

Units of assessment since 1997

Any expectation that unit of assessment issues would be addressed by the Labour government as part of its radical reform of the social security system proved premature. During its first term in office, the Labour Government's priorities for social security lay with getting working-age economically inactive people (disabled, lone parents, unemployed) into paid employment. Neither of its key policy documents, A New Contract for Welfare (1998) and Women and Social Security (1998), which underpinned this strategy, addressed how women's access to an independent benefit income could be enhanced, although the latter of these seemed to promise that unit of assessment issues might be addressed (see McLaughlin et al, 1999):

> in order to understand the needs of both men and women, we need to understand the way in which the real differences that exist between the lives of men and the lives of women impact on their relationship with the social security system. (DSS 1998: 2).

Thus while Women and Social Security noted that women of working age are less likely than men to qualify for contributory benefits due to their low earnings, it avoided how this 'entitlement deficit' could be addressed, instead focusing on maternity pay and the raising of the lower earnings threshold for national insurance benefits. It also acknowledged that benefits are still usually paid to the man (unless there are exceptional circumstances, such as where he cannot manage the family budget due to alcoholism) and stated the government was looking into 'whether more should be done to recognise the role of women, who usually manages the family budget, and to pay money for her and the children directly to her' (1998: 20). Given the relative decline of the contributory system and the increasing reliance on means-tested benefits and tax credits, both of which use the household as unit of assessment, any measures the government introduces are not likely to deviate from the aggregation principle. This method of individualisation is very limited and the experience from Ireland and the Netherlands, where it has already been introduced on an elective basis, suggests that only a very small proportion of couples utilise this facility (see Chapters Five and Six).

Such an attempt to attenuate the impact of aggregation can be appreciated as being particularly limited when set against the government's emphasis on (workless) households and its preoccupation with men's work incentives (McLaughlin et al, 2001). The principal measures introduced by the government as they pertain to unit of assessment issues - Working Families Tax Credit, Childcare Tax Credits, Children's Tax Credit and the Joint Claims procedure - are summarised in Appendix 1. The WFTC in particular has attracted much commentary and criticism for the way that its greater 'generosity' towards low-income working families has both extended the practice of means-testing up the income scale and levered the resources into the household via the male wallet rather than the female purse (McLaughlin et al, 2001). Dean (2001) suggests that one effect of the tax credits will be to increase the number of households supported by 'means-tested benefits' from 24 per cent in 1999 to 38 per cent by 2003. This undoubtedly transforms the political importance of, and therefore heightens sensitivities to, any attempt to individualise social security benefits while at the same time increasing the need for reform. The re-introduction of the principle of aggregation into the taxation system via the new tax credits sits uneasily with the trend towards individual assessment of taxation in the UK and internationally over the last twenty years.

A traditionalist policy preoccupation with households is also evident in the Joint Claims procedure. This formally re-establishes the link between women's social security entitlements (and their participation in employment programme) and the entitlements and status of their unemployed male partner. Since March 2001 the Joint Claims Procedure has been applied to couples claiming IBJSA where at least one of the partners is under 25 and neither of whom are caring for a dependent child. Its extension to partners aged under 45 years in 2002 will herald the further extension of the principle of aggregation in the social security system for those who are unemployed. Seen together with the decline of national insurance, these new provisions for most unemployed couples and for low-income working couples mark a substantial shift towards the use of the principle of aggregation in the UK fiscal system, a shift which all evidence suggests will have profoundly negative consequences for women's access to an independent income, and probably for family life itself.

Summary

This chapter has reviewed the history of policy thinking, debate and practice around issues of aggregation and disaggregation in the UK social security system during the post-WWII period. During this time, indeed throughout the twentieth century, governments of both political persuasions have regarded it the responsibility of men partners to financially support their wives and child(ren), institutionalised wives' and mothers' dependency on their male partners and channeled the most valuable fiscal supports towards the wallet rather than the purse. This has not been uncontested and we highlighted that, despite the overall trend towards aggregation, issues of women's economic independence have been the focus of various campaigns throughout the twentieth century. Moreover, there has been a degree of recognition within government that the benefit unit, particularly the issue of to whom the benefit is paid, is an important consideration in any policy response to poverty, particularly child poverty. In the following chapter we consider in some detail arguments in favour of extending the principle of disaggregation in the social security system.

CHAPTER THREE

INDIVIDUALISATION: THEORETICAL AND POLICY CONCERNS

This chapter examines why individualisation and issues of economic independence have begun to make their way into mainstream policy agendas, as they have done in a number of countries. The discussion looks at both theoretical concerns and the policy drivers of labour supply, family formation and social exclusion/inclusion. It begins by clarifying what is meant by both individualisation and economic independence.

Individualisation

The term individualisation refers to a reform agenda in which systems of social security move further towards a basis of individual entitlements - i.e. social security benefits and taxation are based on individual assessment of personal income and are paid to the individual. Sainsbury (1996: 174) defines individualisation as those 'changes in legislation which make the individual the unit of entitlement and obligations (contributions and taxes) rather than the family or household', while Quiesser (2000: 65) defines it as 'the tendency...to take only the individual into consideration - rather than the head of the household or the entitled family member - for the granting of rights to benefits and the calculation of the amount of benefits'. Although individualisation is most often discussed in the context of social security and taxation it is also relevant to occupational welfare (pensions and health care).

Sainsbury (1994, 1996) has usefully distinguished between 'breadwinner' and 'individual' models of welfare. As noted above, individualisation implies a shift from a breadwinner model of welfare premised on derived rights for women and personal rights for men, to an individual model of welfare embodying individual, or personal rights for both women and men (Table 3.1). Under the breadwinner model entitlement is based on breadwinner status and the principle of maintenance where wives' (or partners') entitlements to benefits are derived from their status as dependants within the family and from their husbands' entitlements. Under the individual model, individuals have personal entitlements; each partner is responsible for his or her own maintenance, there are no deductions or allowances for dependants, and each partner shares the tasks of financial support and care of their children (Sainsbury, 1994).

Table 3.1 Dimensions of variation of the breadwinner and the individual models of social policy

Dimension	Breadwinner model	Individual model
Familial ideology	Strict division of labour Husband = earner Wife = carer	Shared roles Husband = earner/carer Wife = earner/carer
Entitlement	Differentiated among spouses	Uniform
Basis of entitlement	Breadwinner	Other
Recipient of benefits	Head of household	Individual
Unit of benefit	Household or family	Individual
Unit of contributions	Household	Individual
Taxation	Joint taxation Deductions for dependants	Separate taxation Equal tax relief
Employment and wage policies	Priority to men	Aimed at both sexes
Sphere of care	Primarily private	Strong state involvement
Caring work	Unpaid	Paid component

Source: Sainsbury (1994) table 10.1.

It is important to note that these are 'ideal types', and that, as noted in Chapter One, social security systems actually contain elements of both (see also Chapter Four). The increasingly muddled mix of bases of assessment and entitlement adds confusion to already complex tax/benefit systems in developed countries and appears increasingly out of step with social attitudes regarding the appropriateness of different kinds of obligations between individuals tied by blood or custom.

Insofar as individualisation aims to reduce the extent to which husbands and wives, male and female cohabitees, look to each other (or more precisely, the extent to which women look to their male partners) for a minimum income (Esam and Berthoud, 1991: 5), it runs counter to the traditionalistic policy 'logic' of the UK’s social security, tax and employment systems which have historically been premised on women's dependency on their male partners or husbands rather than the state for their economic security (see Chapter Two). Individualisation links into current policy concerns about labour supply, family formation, equality and inclusion; it raises fundamental questions about the nature of welfare regimes; it involves questions of principle, structure and ideology, not just of administration, and in a broad range of social policies (employment, care). These issues are considered in more detail below.

It is worth distinguishing between individualisation in the sense that we refer to it from two other meanings that are often attributed to it. First, individualisation is a term sometimes used to refer to the extension of individual choice in matters pertaining to social protection. This involves making individuals responsible for choosing their insurance organisation, the insurance formula or and deciding whether they wish to be insured. Individualisation as the extension of individual choice is related to, but does not necessarily lead to, the individualisation of rights or the privatisation of social protection (Quiesser, 2000: 65).

Second, the policy reform agenda of individualisation has been contemporaneous with what many people describe (negatively) as a rise in materialistic excessive individualism since the end of the Second World War. For example, a notable issue in submissions to the Irish Commission on the Family (1997) was the belief that there had been a rise in individualism in Irish society, exemplified by a materialistic consumerism, a lack of regard for other people’s rights or for personal responsibilities. The Commission commented that “numerous submissions observed that increased individualism may lead to fracturing of the family bond (or family solidarity in continental European terms). A common view was that the collective requirements necessarily supersede individual autonomy” (1996: 54). However, excessive individualism is not the necessary outcome of individualisation of national institutional arrangements; indeed it would not be so since it has developed independently of such arrangements. It is to be attributed more to the cultural impact of modern capitalism and the privatisation of consumption and leisure caused by rising standards of living. Indeed many commentators believe that individualism within welfare institutional arrangements is more family-friendly than the reverse (see, for example, Saraceno, 2001). Certainly there is some empirical evidence that interdependency is best protected and encouraged when it is entered into by the choice of otherwise independent and autonomous individuals.

The discussion returns to the issue of autonomy later, but for now it is worth re-stating that individualisation within fiscal systems should not be seen as coterminous with either the enhancement of individual choice as to which social protection provisions to consume or the cultural phenomenon of individualism. Indeed many of those arguing for greater individualisation do so because they believe this enhances social solidarity, and/or because it encourages the formation and maintenance of important social bonds - those between spouses, or those involved in other long-term intimate adult relationships, and between parents and children - and that it does so because it removes some of the practice and fear of possibilities of abuses which can arise in such intimate relationships. In other words, the focus of these arguments is not on material gratification but rather on the ways that material, or economic, relations of dependence can threaten the social life of a community or nation through the insecurities and abuses experienced by 'dependants' or potential dependants.

From a theoretical perspective, the question 'why individualise fiscal systems?' is the same as the question 'is economic independence a good thing?' Dependence and independence are 'loaded' terms when used in everyday discourse. However, what counts as dependence and independence, and whether that dependence/independence is negative or positive, has differed in terms of what types of incomes are involved and who the subject is. Thus, market-derived income is thought of as bestowing independence' while publicly-redistributed income may be thought of as indicating 'dependency' in some cases but not all (e g. retired pensioners are not usually depicted as caught up in 'welfare dependency', whereas those on unemployment assistance are). The difference here is partly to do with whether it is a portion or all of a person's income which is derived from tax/benefit system, and partly to do with the division between universal and some social insurance benefits on the one hand, and other social insurance benefits and means-tested benefits on the other. This distinction represents a division between those social groups who are believed to be legitimately under no obligation to derive a considerable proportion of their income from the market and those who are believed to have such an obligation.

Meanwhile, reliance on the incomes of others within households or families is thought of as a negative dependence if it involves the husband deriving income from his wife, but if it involves the wife/female partner and/or children relying on income from the male breadwinner, it is more variably regarded. To some, this reliance is not ‘dependence’ in a negative sense. On the other hand, cultural images of the wife (or ex-wife) ‘bleeding the husband dry’ and of the 'gold digger’, together with many women’s discomfiture at having to negotiate the goodwill of their partner in order to meet their basic needs, suggest this ‘dependence’ is not uniformly regarded as a ‘good’ dependence.

The variability with which the dependence of many wives/co-habitees is regarded stems from the failure of modern society to attribute equal value to that which is traditionally exchanged between men and women within marital partnerships. Reciprocity is the basis of social relations within households and extended families, as well as within wider communities. Yet for all the designations of marriage as ‘partnership’, few people regard the contribution of the woman’s domestic and caring labour as equivalent to the man’s contribution from paid work; something which is very evident when marital relationships break down. Nor have public systems of redistribution attempted to value domestic and caring labour. As a result, the exchange, or reciprocity, involved is weak, causing married women to be seen as, and to feel, dependent in a negative sense on their husbands.

At the heart of such negative dependency is the reality that, as Robert Goodin put it, ‘depending on their families for assistance subjects beneficiaries to the arbitrary will of another’ (1985: 37). Such dependency differs fundamentally from that involved in total reliance on the social welfare system for income, since in the latter case, one is not subject to the arbitrary will of another person. For this reason, economic dependence within families erodes the citizenship and freedom of ‘dependents’ in a way that dependence on social welfare does not: ‘The lack of security, rights and autonomy involved in a personal relationship of economic dependency and the sense of deference it can create are corrosive of any notion of citizenship rights' (Lister, 1993). The interdependence of 'the three-legged stool' of civil, political and social rights cannot be discussed here in any detail; suffice it here to note that 'the principle of self-ownership is of little use until it is joined with a principle of rights over material resources' (Ingram, 1995: 45). The role of any redistributive income system should be to promote autonomy and reduce dependency on the arbitrary will of others in the interests of freedom, and thereby to 'encourage and promote the involvement of every person in the social, economic, political and cultural life of the society' (Healy and Reynolds. 1995: 31). In theoretical terms, then, the issue of economic independence is inseparable from concern with autonomy, justice, freedom and human rights. In addition, some argue for increased individualisation of fiscal instruments on the grounds that the accompanying simplification and reduction of state surveillance are themselves important means of increasing freedom for all: 'simplification means benefit amounts that are crystal clear, regulations that match the lives [people] live and allow them to fulfill their aspirations, ease of access, low compliance costs, the minimum of intrusion and continuity' (Parker, 1995: 93). We, too, take the view that individual citizens are 'better' than their governments at both judging what is best for them and at adapting to macro change.

Moral, political and economic justifications for reforms to individualisation in fiscal systems

In this section the outcomes of the above history in terms of men's and women's personal incomes are reviewed and the main policy drivers behind public discussion of individualisation at the international as well as national levels are outlined.

A question of justice, or 'No taxation without representation': gender equality and social security provision

A problem in most social insurance systems since the second world war is that rises in women's participation in employment have led to women contributing increased shares of revenue but failing to benefit from corresponding increases in entitlement. Indeed in many countries, contributions generally have risen but individuals' access to insurance benefits has become more tightly controlled as eligibility rules have tightened, especially for unemployment benefits. The UK is probably one of the most acute examples. During the last two decades, successive Conservative administrations have restricted entitlements to national insurance systems with the explicit aim of achieving a shift towards means-tested benefits, and they have increased the level of national insurance contributions paid by the population in general. Simultaneously, women's employment rates have increased and the 'small stamp' - married women's reduced contributions – has been largely phased out. So, as Table 3.2 shows, in 1990 women were 42 per cent of those paying contributions but in no case were they 42 per cent of the recipients of national insurance benefits. The reasons for this inequity are well known: the failure to alter the definitions of availability for work and work itself to accommodate the 'flexible' patterns of employment engaged in by women, and the failure to enlarge the scope of the social insurance system to 'capture' risks commonly experienced by women, so that women are more likely than men to pay wasted' contributions. In addition, the EC Equal Treatment Directive did not apply to statutory survivors' benefits and pensions so that women's contributions still do not earn for their partners the right to widow(er)s' benefits or retirement pensions. This anomaly was finally rectified in 2001 through the introduction of new bereavement benefits in the UK. Thus, despite greatly increased contributions to public revenues in general (contributions and personal income taxation), the UK social security system has achieved rather less by way of compensation to women for low incomes or income loss, a topic explored further below. In general, the failure of social insurance systems to adapt to changing social and economic circumstances and to present incomplete gender equality, exemplified by their failure to adapt to meeting women's income needs, risks the danger of a falling away of support for European welfare systems.

Table 3.2 Women and the National Insurance system, Great Britain, 1970, 1990, and 2000

Contributors	1970	1990	2000
% of working wives paying reduced contributions	76	14	N/A
% women workers paying standard contributions	50	91	98*
Women as % of employed workers paying standard contributions	22	42	44*
Beneficiaries: women as % of recipients			
Industrial Disablement Benefit	9	11	18**
Invalidity Benefit/Incapacity Benefit	20	24	33
Sickness Benefit	22	32	
Unemployment Benefit	14	28	30
Retirement Pension (claimed on own, not husband's insurance record	41	37***	44

Note: * at 1997; ** at 1998; *** figures 1970 and 1990 are not comparable because of a 1978 reclassification from own insurance to husbands' in cases where wives' pensions were topped up under new rules of the 1975 Social Security Pensions Act.
Source: derived from: Sainsbury, 1994 Table 8.3, p. 181. CSO (2001) Annual Abstract & Statistics, London: HMSO. CSO (1998) Labour Force Survey, London: HMSO.

Europe and gender equality

The individualisation of social security rights has been a recurrent theme in recent years in European Commission policy. The legal basis for EC policy pronouncements on this issue is equality legislation (79/7 Equal Treatment in state social security schemes, later extended to occupational schemes by Directive 86/37). Active EU policy on individualisation can be traced to the late 1980s, also a period of relative activism for the EU in social policy. Perhaps the most important statement of the Commission's concerns can be found in the Draft Council Directive completing the implementation of the principle of equal treatment of men and women in statutory and occupational social security: COM 87 494 extended the principle of equal treatment to survivors' pensions and family benefits, and provided for the equalisation of pension ages. The Directive's explanatory memorandum states that its aim is 'to promote individual entitlement as an alternative to the extension of derived rights'. The Directive would essentially allow member states to replace derived rights with individual rights in certain branches of social security (e.g. medical care, old age pensions and survivors' benefits). As Sohrab (2000: 108) argues: 'the original proposal was that member States should promote the individualisation of entitlements, and particular derived rights, such as survivors' benefits or dependants' additions, should be equalised between men and women'. When, in 1989, negotiations began on this proposal, substantial revisions were made 'including the removal of all traces of references to individualisation, as was the option offered to Member States to abolish derived entitlements' (ibid). The Directive has been 'pending' since then, 'and it is understood that officials within the European Commission believe that the entire idea of individualisation needs to be rethought, and that any additional proposal must be advanced in a different form' (ibid).

Notwithstanding the problems this Directive has encountered, many references, direct and indirect, to individualisation can be found in EC policy documents. Chapter eight of the White Paper (1993) Growth, Competitiveness and Employment states that the EC's objective is 'to reinforce practices that favour equal opportunities for men and women'; this should entail 'eliminating any potentially discriminatory fiscal and social protection policies which can discourage women's equal participation in the formal labour market' and ensure that 'taxation and social security systems reflect the fact that women and men may well act as individuals in seeking employment and reconciling work and family life'. Individualisation has been included in the second (1986-90), third (1991-95) and fourth (1996-2000) Equal Opportunities programmes. In addition, two objectives of the 1997 Communication on modernising and improving social protection were relevant to individualisation: making social protection more employment-friendly, and adjusting to the new gender balance in working life. In the Employment Guidelines, the European Commission pledged to 'focus in particular on making tax and benefit systems more employment-friendly' and to 'present a proposal in 1999 to update and complete the legislative framework for equal treatment in social security schemes between women and men' (CEC (1998: 15)

The EC's approach essentially stems from a concern with the principle of non-discrimination, both direct and indirect, a principle that has guided EU social policy more generally. Specifically, the Commission's concerns are with the ways in, and the extent to, which derived rights, by creating high marginal tax rates for married (and cohabiting) women, are a cause of indirect sex discrimination in access to employment (Peemans-Poullet, 2000). (It should however be noted that the attribution of dependants' rights as the determinant factor of female labour supply is contested. McLaughlin et al (1999) for example have stressed the importance of social and not just financial incentives to take up employment). Furthermore, the nature of the EU necessarily means that the Commission's concerns have to be with the relationship between individualisation and labour market participation and equality of opportunity therein (hence it is concerned with 'equality between men and women with regard to labour market opportunities and treatment at work', Agreement on Social Policy, article 2, Treaty on European Union). Its workerist orientation means that women's economic independence is conceived of as an outcome of equal access (non-discrimination) to employment. Thus, the most recent (Fourth) Equal Opportunities programme highlighted the individualisation of social security and tax as a strategy to reduce employment discrimination and ensure women's independence (Peemans-Poullet, 2000: 45).

International labour supply concerns

At the international level, the OECD’s and the ILO’s interest in individualisation lies principally with labour supply concerns and with the gender division of paid and unpaid labour. The OECD has recognised that

> Policies based on the sole breadwinner two-adult family - such as joint income testing for social security benefits and dependent spouse allowances - have disincentive effects on women's employment and men's ability to play a greater role in family care. (OECD, 1991: 10, cited in Cousins, 19:66)

The ILO's (2000) focus on income security recognises women's unequal access to social security as well as to employment; it regards women's unequal access to social/income security as a reflection of labour market inequalities but also recognises the influence of social security systems in perpetuating women's inequality in employment. It attributes gender inequality in social security and in paid employment to the unequal division of labour more generally. The ILO also recognises the necessity of reconstructing gender relations in realising greater social security for women as the following extract shows:

> Improved income security for women presupposes some or all of the following measures:
>
> - § greater equality between women and men in the home and in the labour market;
> - § practical measures that help men and women combine paid employment and caring work and that support the access of women to paid work;
> - § the extension of compulsory social security to all employees, including the particular categories in which women are heavily represented;
> - § the recognition of unpaid caring work through the award of credits under contributory systems or through the provision of universal benefits;
> - § the elimination of schemes which directly or indirectly discriminate against women (or at any rate a reduced role for such schemes);
> - § a careful and gradual transition process if and when gender equality leads to cutbacks in benefits for women. (ILO, 2000: 229).

Many commentators have noted that fiscal and social security measures can have a positive, negative or neutral effect on the level of supply of women's labour. In general, as the OECD note, means-tested benefit systems are negative because they involve joint income-testing, with the result that mothers in two-parent households are particularly sensitive to marginal tax rates (the combined effects of personal income taxation and social security benefit entitlements), and that they are much more sensitive, or 'rational', than men. Fiscal measures may also affect the nature of labour supply, skewing it towards particular forms of paid work such as self-employment, casual or part-time employment, though this will be as much affected by the nature of employment protection legislation.

The labour market effects of means-tested income assistance are not confined to its immediate effects on married women/mothers. The negative impact on these women's labour supply in turn affects the nature of their male partner's labour supply. With female partners not in paid work, or with very low earnings, the labour supply of the male must be turned towards full-time, permanent work, reducing his ability to access other forms of earned market income, something which has been of increasing concern in countries such as the UK, where nearly half of vacancies are not of the full-time, permanent, form.

As the recent Treasury Full Employment Paper (HM Treasury, 2001) notes, there remains an enduring divide between work-rich and work-poor households in Britain. This issue first came to policy attention in the mid 1990s. It is an issue of central importance to the Government's social exclusion/inclusion and welfare-to-work agendas. Less progress has been made in reducing the extent of work-poor households than in reducing unemployment per se, signifying that economic inactivity rates among women in such households need to become a focus of policy attention just as much as male unemployment has been. Thus, in the UK context the time is right for the spotlight of social security policy development to shine on the partners of claimants, a group previously over-shadowed by claimants.

The possibilities for reducing the negative effects of means-tested income assistance on labour supply are, however, limited. There are intractable technical problems in setting the so-called marginal tax rate or 'withdrawal rate' in means-tested benefits. Provided break-even points are not too high, universal and social insurance benefits, to which entitlement is largely assessed on an individual basis, score higher on economic efficiency ratings than means-tested benefits, because they sharpen, as well as simplify, incentives. Replacing child additions to means-tested support for unemployed people with larger universal child benefits (as a 1994 ESRI study proposed), for instance, very considerably erodes unemployment traps since the latter mainly affect parents with several children. When marginal tax rates are lowered, in order to encourage labour supply, benefit entitlement has to be 'needlessly' extended to large numbers of people above whatever poverty line is in use. In Britain, it has been estimated that to reduce marginal tax rates to a point where the labour supply of female partners of unemployed men is noticeably enhanced, would require the extension of means-tested benefits (in this case, Working Families Tax Credit) to at least half of all families with children.

Household formation and composition

This is an issue which has become important for several reasons. First, there have been rapid rises in the proportion of families headed by lone mothers in recent years, particularly in urban areas. Second, as noted previously, about two-thirds of divorces in Britain are initiated by women, with nearly half citing violence or other unreasonable behaviour (e.g. the withholding of financial resources) as the reason why divorce is sought. In addition, substantial rises in labour market participation rates among married women in countries with traditionally low rates (e.g. Ireland) suggest that women are increasingly finding the prospect of independent earned incomes attractive. Accompanying fertility declines have become a concern in other European countries. Here it is noteworthy that only Norway and Sweden - both countries with strongly inclusive social security systems and social policies facilitating motherhood - have experienced recent small rises in fertility, back to, or just above, replacement levels. The role of fiscal systems in encouraging child rearing is one which, as McLaughlin argued in 1996, is as fundamental to societal sustainability as the effect of fiscal systems on economic competitiveness and growth.

The other impetus to thinking about individualisation has focused on family equity and the impact of financial arrangements (specifically patterns of economic dependence and independence) on the formation and maintenance of familial relationships and fertility levels. Concerns include: whether the treatment of young adults as dependents on their parents encourages, rather than discourages, young adults to leave the parental home; whether the treatment of mothers/wives as dependents on their male partners encourages, rather than discourages, relationship breakdown and hence lone motherhood, and similarly, whether this treatment discourages young women from entering long-term cohabiting and marital relationships; and whether an absence of independent incomes for mothers at home full-time discourages fertility as women search for independent income through the market and reduce their fertility to accommodate this. This is a poorly researched area, compared with that of labour supply, and rigorous evidence is hard to come by.

Hobson and Takahashi (2001) have recently discussed these issues in terms of the significance of voice and exit within egalitarian gender familial relationships. That is to say, economic dependency between adult heterosexual couples may reduce the voice of the women involved so much that they come to prefer exit from, or choose not to enter into, such partnerships. There is some empirical evidence to support such interpretations of macro-social and -demographic change (Saraceno 2001). This could also be described as an informal rejection of familism by the younger generations of today's women. Although much of such discussion is either ideological or theoretical rather than evidence-driven, it seems unlikely that choice of reform direction towards (i) decreasing familism in social security; (ii) increasing women's voices within couples and families and (iii) thus reducing the 'incentives' towards exit would be reform in an erroneous direction from the point of view of support for the families.

Although the empirical evidence is now very dated it is helpful to recall the Negative Income Tax experiments of the 1970s in the United States. These suggested that although family-based income and means assessment appear, to governments at least, to be better 'targeted' (cost-effective) than systems of universal or social insurance benefits and separate income taxation, in fact family income assessment both contributed to reduced labour market participation (as noted above) and increased family break-up. For example, the Seattle-Denver NIT experiment showed that marital dissolution rates had increased by over 40 per cent and an estimated 12,000 new family units had been created out of the original 4,800 units (SRI International, 1983). So although it may appear paradoxical, individual assessment for tax and social security benefits appears to be both more family-friendly and work-friendly than assessment based on couples, households or families; it is also less vulnerable to fraud, which is a major problem in the US' EITC and may become so in the UK's WFTC and subsequent tax credits.

Social inclusion/exclusion

Poverty worldwide is clearly concentrated amongst women and children. In the West generally this is largely the effect of women's engagement in domestic and caring labour, lone parenthood, having three more children and disproportionate levels of long-term unemployment among parents (of both sexes). The development of national anti-poverty strategies, while welcome, must therefore address the income levels of women and children (Conroy, 1997) if they are to be successful in eradicating long-term poverty and therefore social exclusion. In terms of women, this must mean social policies which encourage and facilitate earned income (i.e. employment) combined with changes to social security systems to more fully recognise the nature of the social insecurities faced by women.

However, we should not be neutral in terms of how such recognition should develop; as Van Parijs says, to be a full citizen, a full participant in the community, it does not matter only that one should access adequate means of subsistence, it is also crucial that this access should be secured in a way which does not stigmatise or humiliate, prevent or discourage attempts to escape poverty by taking a job or acquiring further training, or make any planning nearly impossible because of permanent uncertainty (Van Parijs, 1993: 23).

Summary

Following the presentation of UK data illustrating the extent of the failure of current social security systems to 'make up for' substantial gender differences in earned income, this chapter has outlined both the theoretical and the pragmatic reasons why concepts of individualisation and economic independence in social security provision have gained ground in discussion of potential reforms. These include concern about the negative effects of couple-based means-tested benefits on labour supply and household formation and composition, as well as growing dissatisfaction with the extent to which social security systems have failed to address women's poverty or advance gender equality while simultaneously drawing in ever more women as contributors.

CHAPTER FOUR

A EUROPEAN OVERVIEW

By way of locating the UK (Chapter Two) in the context of practices internationally and by way of prefix to our case studies of aggregation and individualisation in Ireland, The Netherlands and Australia (Chapters Five, Six and Seven), we present a brief overview of the units of assessment used in the social security systems of Western Europe (EU15, Iceland and Norway). For this work we have drawn on three sources: Eardley et al (1996), Millar and Warman (1996) and MISSOC, the European social security Observatory. We have not been able to fully investigate how units of assessment differ by benefit type and target client group for all the countries. We confine the review to the benefit and resource units used in benefits to guarantee sufficient resources (see Appendix Two for further details).

None of the countries concerned operate a wholly individualised or disaggregated system of social assistance. Indeed, Eardley et al note the 'relative uniformity' as regards approaches to the units of benefit and resources:

> With a number of exceptions where wider family obligations have retained a strong legal foundation, the nuclear family is the norm, in spite of some tentative moves towards forms of individualisation. (1996: 67)

However, while all countries operate aggregated systems, there are differences between them as regards the extent to which they use the family as opposed to the household for the purposes of calculating benefit entitlement. Most countries have a strong tradition of family responsibility and obligation, but there is variation between them according to whether the 'family' is confined to the nuclear family (i.e. married/cohabiting parents and dependent children) or whether it also extends to the extended family. Table 4.1 lists the various ways in which family obligations are recognised in social security benefits, while Appendix Three presents Millar and Warman's classification of 'families of nations'.

Table 4.1: The recognition of family in social security benefits

Marriage/cohabitation Spouses/partners recognised in social insurance benefits

Spouses/partners' entitlements to benefits on the basis of their partners' contributions
Continuing maintenance obligations

Parenthood
Benefits for parents (child benefit, lone parent benefit, child maintenance guarantee, parental leave)

Family obligations to care (between adults)
Legal obligations between nuclear or extended family members e.g. long-term care

Source: Millar, J. and Warman, A. (1996)

Most countries use the nuclear family for the purposes of both the benefit unit and the resource unit - i.e. they only take into account the resources of the claimant and their spouse; the resources of dependent children are exempted (either fully or partially) and if they are counted it is only against benefits specifically payable in respect of children. In the UK, the expectation of intra-family support is limited, only applying to non-dependants' deductions from housing costs and child maintenance. In Austria, Germany, Italy and Portugal the household is generally taken as the unit of benefit or resources. In Austria and Germany social assistance recipients are expected to seek support from parents or grandparents, or where adult children are concerned, from their children and grandchildren. In France, for the purposes of Aide Sociale, a locally-administered benefit for older people, payment is subject to a prior test of their inheritors' means, and monies can be reclaimed from them or by first claim on their estate after death. Scandinavian countries operate on a more individual model. These do not place maintenance or resource-sharing obligations on spouses unless they are legally married. For example, in Denmark and Norway the resources of a man cohabiting with a lone mother are not included in assessment of her resources for the purposes of a claim for social assistance.

CHAPTER FIVE

INDIVIDUALISATION AND AGGREGATION ISSUES IN THE REPUBLIC OF IRELAND

Introduction to case study analyses

This chapter, together with the following two country-specific chapters, examine in some detail three countries' experience of individualisation. Ireland (Chapter Five) and The Netherlands (Chapter Six) share with the UK, the subject of Chapter Two, a common historical past in terms of social security policy, and have relatively low rates of women's, and especially of poor mothers', employment. Australia (Chapter Seven) is included to provide a non-European perspective and to discuss some interesting policy developments in the field of aggregation and individualisation. All of these countries have undergone changes to the structure of their benefits over the last ten to fifteen years in the direction of greater individualisation, though the approaches adopted by each vary. Each chapter discusses the policy legacy from which national strategies have developed, their approaches to aggregation and individualisation and the various issues that these raise. Following this detailed exploration of individualisation policy and practice in three countries, we pause to reflect on these varied national experiences at the end of Chapter Seven before turning to consider the lessons and options for UK reform in Chapter Eight. Readers are referred to the appendices for detailed coverage of units of assessment in these countries' principal social assistance benefits (Appendix Four) and of women's employment (Appendix Five).

International scholarship on comparative welfare states: normative and distributive analyses

Following on from the review of units of assessment in Western European countries' social security systems in Chapter Four, and by way of background introduction to the three country-specific chapters, we provide a brief overview of approaches to the comparison of the case study countries' welfare arrangements. International welfare state scholarship has been preoccupied with categorising countries into different gender welfare models or regimes, either in terms of the normative or distributive arenas. These are considered in turn.

In the normative arena, evidenced in the extent to which mothers are treated primarily as mothers or workers, in all three of the UK, Ireland and The Netherlands, the common thread is of a welfare state whose primary concern in the 20th Century is with the preservation of (male) employment incentives and private welfare (market and/or family). Hantrais (1993) and Lewis (1992) group the UK, Ireland and The Netherlands together - either in terms of their strong adherence to a male-breadwinner model (Lewis) or their lack of support for working mothers (Hantrais). The Dutch, Irish and British systems of social security were all characterised as 'strong' male breadwinner regimes (Lewis, 1992) in which a strong dividing line between public and private responsibility is established, the family is assumed to provide unpaid care, and married women/mothers are not expected to take up paid employment (where they do they are expected to participate in employment on similar terms as men so that minimal level of provision is made for maternity leave, pay and reinstatement) (Lewis, 1992). Langan and Ostner (1991) had also placed Ireland and the UK together in an Anglo-Saxon model.

As table 5.1 below shows, this has resulted in historically much lower female labour force participation rates in Ireland and The Netherlands than in the UK or Australia. While women's labour force participation rates in the former two countries have increased, rates in both still fall well below the European average of 63 per cent (1995) (ILO, 2000). The higher rates of female labour force participation in the UK than in Ireland and The Netherlands, despite their common policy legacy, can at least partly be explained by historically higher rates of part-time employment in the UK which have benefited predominantly the labour supply of women and in particular mothers (the UK still has the highest rate of mothers' employment, both full-time and part-time). However, The Netherlands currently has the highest proportion of men and women in part-time employment, though this has been a relatively recent phenomenon (that is, since the mid 1980s). A further point of note is that these broad figures belie differences between women of different marital and parental status. Economic activity and employment rates of married women have been lower in all the countries than those of unmarried and divorced/separated women, while mothers' employment rates have been, and still are, lower than those of women without children (for details see Appendix Five).

Table 5.1 Labour force participation rates - women, aged 15-64

Country	1980	1995
United Kingdom	57.0	65.6
Australia	52.0	64.8
Netherlands	38.2	55.0
Ireland	34.7	40.9

Source: ILO, 2000: table 4

Despite the apparent similarities among the three countries in the normative arena, analyses of the distributive arena have placed Ireland, The Netherlands, Australia and the UK in very different categories. For example, Bradshaw et al's (1993: 265) categorisation of the relative generosity of the distributive packages available to model families of different sizes and compositions (encompassing social security payments, tax allowances, housing costs, health care and educational services) placed France, Luxembourg and Belgium together as providing the most generous child support packages, followed by the group of Denmark, UK, Germany, Australia and The Netherlands, while families in the last group - Italy, Portugal, Spain, Republic of Ireland, Greece and the USA - received the least generous packages. In subsequent analysis of the same material, Shaver and Bradshaw (1993) examined the extent of support for '[economically] dependent wives'. They found that support for 'wifely labour' under the traditional male breadwinner model was strongest in Ireland, Denmark, Germany and the Benelux countries, medium in a group comprising France, Portugal and Spain, and weak in a third group containing the UK and Australia. Meanwhile, Siaroff (1994), using three factors (the basis of family welfare orientation, which parent is the recipient of benefits and female work desirability), placed Ireland in a 'late female mobilisation welfare state' cluster which also included the 'Latin Rim' countries; the UK was characterised as a 'Protestant liberal welfare state', along with the US, Canada, New Zealand and Australia, while The Netherlands was placed in the advanced Christian democratic welfare states, along with Germany, France, Austria and Belgium. Finally, Duncan (1995) argued for the placement of Ireland in a group labeled 'transitional from private patriarchy' alongside the countries of southern Europe, while England and Scotland were defined as in transition from 'the housewife contract' characteristic of the Bismarckian countries of Austria, Germany and Switzerland, towards the 'dual role contract' of France and Finland. Wales and Northern

Ireland were defined as remaining within 'the housewife contract'. The Netherlands displayed two gender contracts, the housewife contract and the equality contract, as did Norway.

The Irish policy legacy

One of the problems in classifying Ireland along with the UK or with The Netherlands, is that the management of mothers, and hence women's social and reproductive rights, has been more explicitly the focus of family law and social policy in Ireland than in the other countries. In recognition of this, the relationship between Catholic corporatism and 'male breadwinner' typologies has subsequently been the focus of analyses by Conroy Jackson (1993), Yeates (1997), and McLaughlin and Rodgers (1997) and McLaughlin and Yeates (1999). These have highlighted that while Britain, and to a lesser extent Northern Ireland, moved towards universalism and a greater role for the state in welfare provision, in Ireland selectivist and familist principles were consolidated during the post-partition period (Yeates, 1997). Moreover, the influence of Catholic teaching in social policy meant the application of subsidiarity to welfare circumscribed the role of the state and ensured that the voluntary sector and the Church continued to play a central role in direct welfare provision in health, education and social care. Keeping the state at arm's length also meant an enhanced role for voluntary sector professionals and the Catholic Church in social planning and provision. Selectivist, minimalist level of welfare services for distributive policies affecting women's social rights meant that social care services for children, disabled and elderly people rely on the family to provide the bulk of care for its members (Yeates, 1997; McLaughlin and Yeates, 1999). The combination of these factors meant that although the state played a residual role in the provision of welfare services, and that the Church, voluntary sector and the family all played a lead one, it was also highly interventionist in regulating women's fertility and reproduction, and, consequently, their labour supply (Pyle, 1990).

Ireland's Beveridgean social security system, which was in part a hangover from the pre-partition British system became more familialised following partition, and the normative prescriptions of women's role as homemakers and childbearers became an explicit point of reference in the 1937 Constitution. This defined the Family as 'the natural and fundamental unit group of Society' (41, 1.1), 'the necessary basis of social order and as indispensable to the welfare of the Nation and the State' (41, 1.2). The type of family to which the Constitution referred was the heterosexual marital family ('the State pledges itself to guard with special care the institution of marriage on which the Family is founded', 41, 3.1). Women were defined as dependants of their husbands (41, 2.1) and as mothers/homemakers (41, 2.2). These principles in Ireland, as in Britain, guided social welfare, taxation and employment policies, institutionalising the 'family wage', women's economic dependency within marriage and their primary role as full-time mothers.

Moreover, Britain and Ireland shared a number of common measures, such as the married women's 'small stamp' (reduced national insurance contributions for married women in employment), the marriage bar and additional tax and social welfare allowances for married men with dependent wives, though the measures to remove married women from employment in Ireland were much greater than in the British system. Thus, Ireland also enacted the marriage grant which closed women's insurance contributions record upon marriage in return for a one-off payment. In addition, women's rates of contribution and benefit were lower than those of men in comparable circumstances, and more stringent conditions were attached to women claimants than to men – for example, women were required to have a longer contribution record in order to claim benefits but were paid benefit for a shorter duration than men (Yeates, 1997).

Although the most obvious manifestation of unequal treatment of some (i.e. single) women had been eliminated in the 1950s and 1960s, it was not until the 1970s that a major turning point occurred in the development of welfare rights of women in general, and of mothers in particular. Between 1968 and 1974 five women-only schemes - Deserted Wives' Benefit and Allowance, Unmarried Mothers' Allowance, Prisoners' Wives Allowance, Single Woman's Allowance - were introduced for women who could not rely on men in their capacity as husbands or fathers to provide for their financial security. With the exception of Deserted Wives' Benefit these were social assistance schemes (Yeates, 1997). The integration of women into social assistance, combined with the failure to radically reform the contributory system, meant that Ireland has relied on this category of non-contributory benefits to ensure women's economic independence. The level of financial support for married, non-employed wives via the social security and taxation systems is one of the highest in the advanced industrialised countries, but the level of support for children, and hence support for 'motherly labour' is one of the lowest (Shaver and Bradshaw, 1993). The way in which the Irish regime 'rewards' homemakers has important implications for women's economic independence.

First, the additional income levered into 'traditional' households in respect of a full-time, dependent wife is directed to the 'head of the household' who is left to distribute it responsibly. Although the state formally 'supports' full-time homemakers, this does not translate into an independent income for them, and universal Child Benefit was found to be 'the largest source of independent income available to women in two out of every three families with dependent children' (Rottman, 1994). This study highlighted that 58 per cent of mothers had no other source of income and for a further 10 per cent of mothers their weekly income from employment or interest amounted to less than Child Benefit. This varied by class and income of the household, and 80 per cent of women in unskilled households and in the bottom income quintile had no independent income whatsoever.

Second, the women-only schemes ensured a level of state support only when men could not be relied upon or were absent (this principle had been established in 1935 for widows). The deserted wives' payments were aimed at married (but deserted) mothers, while the Unmarried Mother's Allowance represented the acceptance by the State of the right of unmarried mothers and their extra-marital children to public support (Conroy, 1993). The latter is of particular significance because, although the State incurred the risk that the provision of the benefit would be seen to undermine the marital family, it was consistent with the constitutional prescriptions for motherhood. The Unmarried Mother's Allowance offered an incentive for mothers to stay at home rather than take up paid employment (paid employment was prohibited for recipients) and it protected the 'special' role of the motherhood in Irish society (Conroy, 1993). Although the contingencies which mothers faced were extended to cover a broader range of circumstances under which men could not, or would not, support their families, the payments were still designed to dissuade mothers from taking up or staying in paid employment. In other words, the state could accept the principle of support for non-marital families so long as women living in them were as discouraged from seeking paid employment as women in marital families. The policy legacy of the Irish regime was such that it strongly militated against married women's and mothers' employment, a legacy that is still very much evident today in lower employment rates of women in Ireland compared with many, if not most other, European countries.

The Irish individualisation reform agenda

The beginnings of the process of individualisation can be traced back to the 1970s with the introduction of individual entitlements for women without male partners under the women-only schemes, as noted above. Of particular note in this regard were the national effects of EC Equality Directives. Unlike the UK, where cohabiting couples have been treated the same as married couples for the purpose of social security since the introduction of cohabitation rules under Supplementary Benefit in the early 1970s, in Ireland this was only introduced in 1989 for the purpose of unemployment payments as a consequence of the 1979 Equal Treatment Directive. The effects of this Directive entailed, inter alia, permitting married women to claim Unemployment Assistance, but in order 'to prevent a situation in which each spouse could claim for the other, the implementation of the directive required a detailed specification of dependency' (Cook and McCashin, 1992: 35). The Social Welfare (n° 2) Act (1985) thus stipulated that where both of a married couple living together qualified for unemployment assistance in their own right, the overall amount payable to the couple would be limited to what they would receive if only one spouse claimed and received an allowance for the other as an adult dependant. In effect, sex equality for married women merely reiterated the principle of dependency.

This 'solution' to the problem of sex equality in social security had repercussions beyond the immediate issue at hand: social security policy was framed less in terms of gender (in)equality in access to benefit and more in terms of the extent to which it treated different family types (married/cohabiting, with or without children, couple/lone parent families) (in)equitably. In the mid 1980s this was expressed in terms of the unequal treatment of married couples relative to cohabiting (heterosexual) couples. Thus, up to 1989, cohabiting men and women were not recognised as a couple and each individual was entitled to the full personal level of Unemployment Assistance. This meant, however, that cohabiting couples were treated more favourably (i.e. received more money) than comparable married couples because the latter were subject to the limitation rules described above. The less favourable treatment of the marital family compared with the non-marital family was successfully challenged as unconstitutional (the Hyland case). In an attempt to resolve this issue, the Social Welfare (n° 2) Act (1989) legislated for the extension of the limitation of entitlements to cohabiting couples so as to treat them the same as married couples. Thus, rather than abolish the limitation rule for married couples it was extended, and provision for cohabitees was levelled down to that enjoyed by married couples (Cook and McCashin, 1992). This limitation rule has since been extended to cover other low-income heterosexual households, e.g. disabled persons when Disability Allowance replaced Disabled Person's Maintenance Allowance in 1996 (Yeates, 1997).

Successive moves to reduce formal gender inequality in access to, and rates of, benefit have not fundamentally challenged the principle of women's economic dependency. Although it is possible to discern a gradual move towards individualisation, this has mainly entailed (i) the introduction of benefits for women who are unable to rely on a male breadwinner to support them (lone parents, deserted wives, widows) and (ii) the introduction of payment splitting for couples who specifically request it (this has been remarkably unsuccessful, with just one per cent of couples using this facility). At the same time, the government has retained, even extended, the use of the household unit of assessment (eligibility, assessment and payment) and derived rights (Yeates, 2000). In legislation allowing women to retain their benefit entitlements 'earned' through marriage after divorce, the Irish government extended what were effectively derived rights by granting equal status between married, separated, widowed and divorced women. This meant, for example, that divorced women would have the same rights as their ex-husband's second (or third, fourth…) wife for the purpose of claiming Widow's (Contributory) Pension. As there are no restrictions on the number of time marriage and divorce can take place, Yeates (1997) has pointed out that the Irish social welfare system is faced with the prospect of multiple people claiming benefits off a single contributions record. There are also other ways in which dependency is structured into the Irish social security system – in 'dual entitlement' benefits rights are acquired by the spouse or other dependants of the insured person (Widow/er's (Contributory) Pension, Old Age (contributory) Pension, Treatment Benefit and Death Grant all allow current and former spouses to claim off each others' insurance record) and in additions paid to the recipient/insured person in recognition of his or her dependants (Qualified Adult Allowances are payable on all benefits).

These derived rights can be seen in the broader context of how the social security system takes account of heterosexual adult relationships and living arrangements. Such relationships are also recognised in eligibility criteria. For example, the cohabitation rule applies to the One Parent Family Benefit, Deserted Wives' Allowance and Benefit, Widow/er's (Contributory) Pension and Widow/er's (Non-Contributory) Pension. It debars recipients from claiming these payments if married to, or cohabiting with, a partner of the opposite sex. Heterosexual relationships are also recognised in joint assessment of eligibility and income. For the purposes of Family Income Supplement, couples can aggregate their hours worked to reach the 19 hours worked per week or 38 hours worked every fortnight required for entitlement; under 'aggregation' rules both partners' status is taken into account for the purpose of calculating the amount of payment for means-tested benefits.

It is important to note that there are also elements of individualisation within the Irish system, such as 'payment-splitting' and 'entitlement-splitting' and the current working groups and commissions established to take forward the individualisation agenda take these provisions as their starting points (see below). Splitting of social security payments is only done in exceptional circumstances and its use is minimal (about 1 per cent of payments). Similarly, employment supports such as the Back-to-Work Allowance, as well as employment and training schemes such as the Whole-Time Jobs Initiative, Community Employment and VTOS schemes all allow dependent spouses to take their husband/partner's place if he does not wish to avail of it. As with the 'dual entitlement' benefits, no statistics are available as to what proportion of the 35 per cent of women on the Back to Work scheme who were married had entered via the adult dependant transfer route (Yeates, 2000).

As a result of the failure to more radically overhaul the social security system, gender inequalities in the receipt of social insurance and assistance benefits remain pronounced (see table 5.2). These patterns of receipt are in part the effect of gendered economic activity (women constitute the majority of carers and homemakers) and of family composition (the majority of lone parents are women).

Table 5.2 Receipt of selected social welfare payments: women as a proportion of all recipients (%) 1999, Republic of Ireland

	Women
Social Insurance	55
Social Assistance	51
Social Insurance	
Old Age (Contributory) Pension	36
Retirement Pension	26
Widow/er's Pension	99
Disability Benefit	62
Invalidity Pension	42
Disablement Benefit	16
Unemployment Benefit	55
Social Assistance	
Old Age (non-contributory) Pension	57
Pre-Retirement Allowance	18
Widow's (non-contributory) Pension	99
One Parent Family Payment	97
Disability Allowance	40
Carer's Allowance	79
Unemployment Assistance	28
Supplementary Welfare Allowance	38
Employment Supports (average) (2)	24
Family Income Supplement	46
Back to Work Allowance	15
Back to Education Allowance	46
Back to Work (Enterprise) Allowance	16
Farm Assistance / Smallholders	7
Qualified Adults	
Unemployment Benefit	94%
Unemployment Assistance	91%
Old Age (Contributory) Pension	98%
Old Age (Non-Contributory) Pension	90%
Retirement Pension	98%

Source: Tables A13, A14. 1999 Statistical Information Report, DSCFA. Information on qualified adults kindly supplied by DSFCA's Statistical Branch.

Although the number of QAAs (Qualified Adult Allowances, i.e. adult increases) paid have declined by 25 per cent since 1992 (Carroll, 2000), there are still 130,000 people in respect of whom QAAs are paid, and women comprise between 90 per cent and 98 per cent of these, depending on the payment concerned. Pensions illustrate how women have been incorporated as dependants into the social security system. Women continue to comprise the majority (57 per cent) of recipients of Old Age (Non-Contributory) Pension and a minority of recipients of Old Age (Contributory) Pension (36 per cent) and Retirement Pension (26 per cent) (1999). Of note here is the skewing effect on statistics of Widow/er's (Contributory) Benefit which, like Treatment Benefit and the Death Grant, allows women (and men) to claim either off their own or their spouse's insurance record. Unfortunately, statistics are not collected regarding the gender differences in claims from these dual entitlement benefits - benefits that grant rights either as workers or as wives (or husbands). Thus, we do not know what proportion of these 90,000 women who, were it not for the fact that they could claim off their husband's insurance record, would otherwise have to claim the social assistance equivalent. Neither do we know the difference in the amount paid to men and women recipients of these dual entitlement benefits where the pension is paid on the basis of their own as compared with their spouse's record (Yeates, 2000). It is possible, however, to surmise that women claiming off their husband's insurance record amount to a considerable number. In Northern Ireland, where similar assumptions about dependency also prevail, and where statistics are available, in 1985 just 27 per cent of recipients of Retirement Pension were women receiving it on the basis of their own insurance record (a further 17 per cent were married women receiving it on the basis of their husband's insurance and 22 per cent were widows), though this had increased to 32 per cent by 1995 (McLaughlin and Yeates, 1999).

In the remainder of this section we examine Ireland's current policy task forces on the individualisation of social security. It is important to note that social security individualisation is occurring alongside controversial moves towards the individualisation of tax. It is not in the remit of this report to consider tax individualisation, although the tax system clearly has important implications for women's labour market participation choices (see NESF (2000) for a critical review of individualisation in the tax system).

Social policy development in Ireland has taken place in the context of the influence of EU social law (since mid 1970s) and of national partnership programmes (since 1985). The effects of the former were noted above; as regards the latter, the social element of partnership became more central in the mid-1990s, while the pressure for individualisation was kept up by women's groups and the European Commission. Various government reviews of social policy have directly and indirectly prompted consideration of how the Irish social security system could be individualised. Of particular note here were the reviews of the tax and social welfare system (1995), social insurance (1996), the treatment of different household types (1999), the Commission on the Family (1997) and the national anti-poverty strategy (NAPS) (1997). Various other policy-making bodies have contributed to the debate, such as the NESC (1999) and the NESF (2000). All of these initiatives have taken place in a context of a commitment to develop a stronger social rights framework in Ireland (North and South), including the right to an adequate standard of living. The Northern Ireland Human Rights Commission (2001) is actively considering the introduction of such a right as part of a Northern Ireland Bill of Rights, encompassing subsistence items (food, clothing), general provision for living standards (social security) and social and civic care. In the Republic, the Irish Commission for Justice and Peace (1998) has advocated the inclusion of a right to an adequate standard of living as part of a package of social rights (health, housing, nutrition) in a revised Irish Constitution (Combat Poverty Agency, 2001).

Of particular note for the purpose of the present discussion was the setting up of a Working Party in May 1997 to examine the treatment of married, cohabiting and one-parent households under the tax and social welfare codes. The Report, to which McLaughlin contributed as annex, examined the feasibility of four models of individualisation:

(i) Total independent treatment in the social security system (individual means tests and the payment of unconditional benefits to non-working partners);

(ii) Retention of assessment for means-tested payments on a couple basis, with either full rates to be paid on an individual basis once entitlement is established or adult increases to be paid directly to the 'adult dependant';

(iii) Payment of a Household Responsibility Payment (HRP), whereby social security benefits would henceforth comprise a personal payment for each adult in a household and one HRP for each household, the combined total of which would be equivalent to the married rate (1.6/1.7 of two personal rates).

(iv) Modernisation of social insurance, entailing the replacement of derived rights by participation rights, facilitated by the introduction of credits for those undertaking informal care or in third-level education, and/or a part-time Unemployment Benefit. Qualified Adult Additions would be abolished since individual entitlements can be established through a combination of employment, disregards and contribution credits.

The Working Group favoured the fourth option, modernising social insurance, but the Department of Social, Community and Family Affairs (DSCFA) embarked on administrative individualisation somewhat akin to option (ii). The main elements of this administrative individualisation as set out in Budget 2000 were:

(i) The raising of Qualified Adult Allowances from 60 per cent to 70 per cent of the value of the main payment, to be implemented over three budgets and commencing with Budget 2000. For older people, adult dependant payments will be equalised to the rate of Old Age (non-contributory) Pension; QAAs will be added to the main payment and divided by two.

(ii) Since April 2000 the full rate of the child dependant allowance (CDA) can be retained until the qualified adult's earnings are more than IR£135 per week (gross) (previously, half of the CDA was lost when the QA's earnings reached IR£60 gross). This is to facilitate qualified adults with children (especially in larger families) in moving into part-time work.

(iii) Since April 2000 qualified adults can earn IR£70 gross (previously IR£60 gross) before the QAA begins to be withdrawn; the withdrawal is tapered up to £135 per week gross (up from £105 gross).

However, critics have pointed out that although the income thresholds have been raised, the interaction between (i) the operation of income disregards (IR£70 if Qualified Adult works 4 days or more; IR£30 if s/he works three days or less) which are deducted from the Qualified Adult's net income and (ii) the withdrawal rate of 50p in the pound of remaining earnings from claimants' Unemployment Assistance, still constitutes a significant monetary disincentive to take up paid work and may still cause conflict about the intra-familial distribution of money (NESF, 2000).

The second major element of the Irish individualisation strategy is the reform of child income support arrangements. Child income support, as noted earlier, is one of the few sources of women's (mothers') independent income, yet 'motherly' labour has been one of the least rewarded forms of labour. As regards the existing structure of child income support, it is split between the social security system (Child Dependant Allowances, Family Income Supplement and Child Benefit) and the tax system (double tax allowances or bands, and the Home Carer's Allowance). Budget 2001 announced a 59 per cent increase in the value of Child Benefit for the first and second children, and a 54 per cent increase for the third and subsequent children, and it prioritised Child Benefit as the main mechanism for meeting the additional costs of children. As the Combat Poverty Agency has argued, 'child benefit has been mainstreamed as the main fiscal instrument for child income and represents the individualisation of tax and welfare policy as it applies to children' (CPA Budget 2001: 6). In essence, there has been a shift away from (selective) CDAs towards (universal) CB. The advantages of Child Benefit as a universal, flat-rate payment are that it avoids the unemployment and poverty traps associated with means-tested benefits; it has a high take-up rate; it is paid to mothers as the primary carer, and it promotes horizontal equity between households at similar income levels (CPA; Commission on the Family, 1997; Childcare 2000 Expert Working Group). The enhancement of its value will increase the incomes of women, in or out of work. However, critics have pointed to the still-substantial shortfalls in family income, estimated to be IR£6.40 per week, and even greater than this if there are older children present. In addition, Child Dependant Allowances remain unchanged. Overall, the combined value of the changes in the social welfare part of the reforms amount to a 24 per cent increase rather than the advertised 59 per cent or 54 per cent (CPA, 2001). The Combat Poverty Agency acknowledges that the government is committed to substantially increasing the value of child benefit by 2003, by 176 per cent for first and second children, and by 161 per cent for the third and subsequent children (compared with 2000 rates), but it criticises the strategy for not introducing age-related payments.

Overall, it is clear that contemporary social security individualisation agenda in Ireland is driven as much by labour market concerns as by poverty concerns (Yeates, 2000). Indeed, the main policy priorities have been with removing obstacles to returning to work, with putting in place incentives to return to work and ensuring that obligations to seek and take up paid work are adequately enforced (NESF, 2000). The groups addressed have been the unemployed and other groups that are economically inactive but capable of work (lone parents, disabled). The NESF has called for the development of 'a more comprehensive welfare to work strategy to ensure that as far as possible the social welfare system facilitates access to paid employment opportunities for all, regardless of social welfare category' (2000: 67). It also wants welfare to work outcomes to be taken into account in any individualisation strategy since administrative individualisation will not solve the problems created by aggregation (i.e. one partner's earnings affecting the means of the other partner) (2000: 69).

The issues addressed by the Working Group on the equitable treatment of households under the tax and social welfare code (1999) were taken up by the Programme for Prosperity and Fairness (PPF) (framework III, 3.2), whose income adequacy objectives are:

§ To provide every person with sufficient income to live life with dignity.
§ To ensure that the real value of Social Welfare payments is maintained and where possible enhanced to ensure that all share in the fruits of economic growth.
§ To develop proposals to progress the individualisation of Social Welfare payments in the context of continuation of joint assessment of means.
§ To remove poverty traps, particularly for low paid workers, and improve the real income position of employees.

(PPF: 80, emphasis added).

The PPF set up two Working Groups, one on administrative individualisation and the other on individualisation through social insurance. A third Working Group on Adequacy Benchmarking and Indexation was also set up but excluded from its remit are issues to do with aggregation and the unequal distribution of resources as a cause of (women's) inadequate incomes; it is not examining individualisation and is proceeding on the assumption of adult dependant's allowances being increased to 70 per cent of the main payment. The remit of the administrative individualisation Working Group is 'to produce proposals to progress the implementation of administrative individualisation within the Social Welfare system' (PPF: 81). Since it will examine how to further individualise means-tested benefits in the context of joint assessment of means, it will not be looking at the validity of joint assessment of means or at assumptions of income sharing between partners. The Working Party is to consider how separate payments could be 'mainstreamed' into all benefits. The remit of the Working Group on individualisation through social insurance is 'to produce proposals for the development of a fully inclusive social insurance model which would facilitate combining work and family responsibilities in the context of changing working and social patterns' (PPF: 81). The DSCFA, at least, appears to favour this as a long-term strategy for the individualisation of social security, because, as it acknowledges, the social insurance model is already an individualised one: 'the way forward for individualisation in our social welfare system will be in the context of social insurance' (Carroll, 2000). However, like the Commission on Social Justice (Chapter Two), it also acknowledges the need to reform social insurance for a better balance between paid work and family/caring responsibilities and to adapt contribution requirements to ensure that certain groups are not excluded from gaining a foothold in the system. On the latter point, it has considered the possibility of extending credits or moving towards residency as the basis of entitlement.

Progress in policy discussions in these fora has proved disappointing. The sequencing of these working parties has meant that the social insurance Working Group will only be established once the Working Group on administrative individualisation has completed its work. However, at the time of writing, the latter has not met since December 2000, while the DSCFA and trades unions apparently take the view that individualisation should first begin with pensions (i.e. that existing commitments should first be implemented) and only after that should other areas be examined. One should also not discount the influence of arguments against individualisation and in favour of aggregation advanced within and outside of government, which include views that a husband's contributions and his payment are his own property, not to be shared with his wife, and that splitting social security payments between the claimant and 'his' dependant would in effect pay married women to stay at home to do 'nothing' and that this would be unfair to other women, such as lone parents, who are increasingly expected to take up paid work. These delays mean that the commitment to further administrative individualisation in Budget 2001 is no longer on track, although the individualisation of taxation will continue to be implemented. The individualisation issue is being 'kept alive' in the NESF, the NESC and the CPA.

CHAPTER SIX

INDIVIDUALISATION AND AGGREGATION ISSUES IN THE NETHERLANDS

The Dutch policy legacy

Renowned for the generosity of its social security arrangements, The Netherlands was classified as a highly wage labour 'decommodifying' regime, along with the Scandinavian countries, Belgium and Austria (Esping-Andersen, 1990). Social security effectively 'insulated' workers from dependence on selling their wage labour to sustain their living standards. Thus, already in 1947 unemployment benefits in The Netherlands were fixed at 80 per cent of previous earnings for breadwinners with children, 60-70 per cent for other categories; in 1964 it became 80 per cent for all unemployed people (Becker, 2000: 223). The Disability Security Act (1967) provided 100 per cent earnings substitutes for workers deemed 100 per cent disabled (Cox, 1993: 152). Thus, although not properly a social democratic regime (Becker, 2000), the Dutch regime's 'generosity' was typical of social democratic regimes (Goodin et al, 1999). This 'generous' Dutch regime, as judged by its high earnings-replacement ratios for workers, contrasted with Ireland and the UK which featured amongst the low wage labour decommodifying regimes where benefits were paid on a flat-rate, subsistence level.

The coalition of Catholics and Socialists in the late 1940s which founded the post-war Dutch welfare state meant that high decommodification of (male) wage labour was not only a reflection of the desire to avoid poverty, or a reflection of solidarity and social justice, but it was also - and some argue more importantly (Bussemaker and van Kersbergen, 1994) - an expression of the view that there should be no second income since married women would work full-time in the home (Becker, 1999: 223). As Bussemaker et al (1997) argue, the Dutch welfare state has for most of its post-war history been an 'extreme' breadwinner-homemaker model, founded on the assumption of nuclear family and a strongly gendered division of labour within it. There were three main aspects to this. First, married women were discouraged from entering and remaining in the labour market and it was only in the late 1960s that they gained employment rights preventing them from being made redundant when they married, became pregnant or gave birth. Married women who were employed did not have pension rights, and the taxation system imposed severe work disincentives for second earners. Second, the identification of men with breadwinning and maintenance implied that the male earned a 'family' wage and that he was given the male financial support to keep 'his' family. Thus, he was paid child allowances and his dependants were included in his insurance record without having to pay any additional contributions. Third, benefit entitlements were strongly linked to employment status: benefits were either linked to the previous wage or to the minimum wage (1997: 1997-8). The institutionalisation of married women's dependency on their husbands was also evident in the expectation that mothers should not have to be available for work until the child(ren) attains the age of 18, and that they should be paid benefits at a level linked to the minimum wage (Bussemaker et al, 1997: 98). This was, of course, also the case in the UK and Ireland; however, unlike Ireland, the principle of full-time motherhood was never enshrined in social law and instead it was (like the UK) embedded in social practice (Bussemaker and van Kersbergen, 1999).

This combination of a relatively high level of benefits with the breadwinner/homemaker structure meant that 'the Dutch welfare state is characterised by a considerable degree of de-commodification of male wage-earners and a high level of stratification between men and women' (Bussemaker and van Kersbergen, 1994: 22, emphasis in original). These policies have depressed women's access to independent income. Most women and almost all mothers (couple and lone mothers), in The Netherlands, like Ireland, were full-time mothers until the beginning of the 1980s. Their relatively recent increase in employment has been channelled to part-time employment (see Appendix Five). This has had repercussions for women's economic independence as their wage was barely sufficient to live on and can be considered more as a supplement to that of their male partner.

Like Ireland, the history of The Netherlands' 'generous' but familist policy is a consequence or expression of the influence of Catholic-corporatist notions of social harmony, in addition to the Calvinist belief in human humility and faith in benign, paternalist government (Cox, 1993). The influence of religion on the development of welfare provisions is the subject of considerable discussion in the academic literature, and The Netherlands is a striking example of this. Pillarisation refers to 'the denominational segregation in social organisations', such as schools, charitable organisations and social work. Dutch society was 'pillarised' into Catholic, Protestant and secular (which was sub-divided into proletarian socialist and middle-class liberal) segments with organisational networks and welfare provisions of their own (Bussemaker et al, 1997; Kersbergen, 1995). Subsidiarity in this context meant that state was subsidiary both to these confessional pillars as well as to the family. The application of subsidiarity where the family, as the 'lowest' social unit has primary responsibility to provide for the care and welfare of its members, ensured that the local state only allocated funds when no other resources were forthcoming from either the family or voluntary sector. Like Ireland, Dutch social policy can also be regarded as a site over which the church and state have battled as regards the nature and extent of 'interference' of state institutions in family life:

> the corporatist regimes are also typically shaped by the Church, and hence strongly committed to the preservation of traditional familyhood. Social insurance typically excludes non-working wives, and family benefits encourage motherhood. Daycare and similar family services are conspicuously underdeveloped; the principle of 'subsidiarity' serves to emphasise that the state will only interfere when the family's capacity to service its members is exhausted. (Esping Andersen, 1990: 27)

The dominance of Christian-conservative organisations and political parties from the late 1940s to the mid 1960s meant that Dutch society was very conservative (Becker, 2000; Cox, 1993). However, the social, cultural and political changes, including rapid secularisation, that occurred in the 1960s in The Netherlands, as elsewhere, withered the basis of pillarisation and brought about the social democratisation of the welfare state. In the 1970s, a marked change in social ideology occurred, seen 'in the shift from the traditional Dutch family to the rise of individual welfare claims as the point of reference for social policy' (Becker, 2000: 224). Strengthening social democratic and emancipatory movements placed strong welfare expectations on the state, and up to the early 1980s the Dutch welfare state could be described as having undergone 'a change from predominantly elitist paternalism towards a social democratised or progressive paternalism' (ibid). The 1980s political landscape witnessed a shift towards the right and austerity policies froze the expansion of welfare hithertofore: the minimum wage was frozen, reducing the value of minimum benefits, eligibility rules were tightened, and social security contributions were raised. In the late 1980s and early 1990s gross replacement rates were reduced from 80 to 70 per cent (1987) and the disability scheme was restructured (1992). Austerity arguments were, Becker argues, more important than other socio-ideological changes that also occurred around this time - the rise of liberal values of individual initiative and responsibility and of the conservative principle of subsidiarity. Yet these clearly shaped the restructuring of welfare provisions at the time and the Dutch welfare system, as Becker summarises, 'has been liberalised to a certain degree [although] some paternalist assumptions are still important and for the rest, the system is characterised by the institutional inertia of paternalist and Social Democratic assumptions that were effective in the past' (Becker, 2000: 226; van der Veen and Trommel, 1999; Cox, 1999).

The Dutch individualisation reform agenda

Since the 1980s, but particularly during the 1990s, the Dutch welfare state underwent a radical overhaul of its 'strong' breadwinner policies, and has been characterised as having undergone a shift from an extreme breadwinner/homemaker model to a one-and-a-half worker model (Plantenga, 1999) - with women constituting the 'half' worker.

Individualisation has been introduced in several areas and in respect of both entitlements and obligations. Like Ireland and the UK, this was prompted by EU sex equality legislation. As Sainsbury (1996) notes, 1980s reforms ended direct discrimination against married women in disability benefits (1980), national retirement pensions (1985) and extended unemployment benefits (1987). Another set of reforms addressed the unit of assessment used for certain schemes, changing it from a household to an individual basis, such as national insurance contributions (previously dependants were included in the breadwinner's insurance scheme at no extra cost). Some commentators regard the effect of EU equality legislation as has having promoted 'significant equality of access to benefit for women' by removing the exclusions against married women in several major benefits (Sohrab, 2000). The Netherlands has, like Ireland, introduced payment splitting (in 1987 in The Netherlands). However, this apparent strengthening of women's rights must be set in the context of the austerity measures noted above whose effects entailed a growing reliance on means-testing in minimum benefits, the restriction of entitlements to benefits, and the levelling-down of benefits (e.g. sickness and disability benefits were reduced from 80 to 70 per cent of previous earnings). Indeed, access to unemployment benefit still favours those (mainly men) with long contribution records (Sohrab, 2000: 113; Van Der Veen and Trommel, 1999).

Regarding the consequences of these policies for women's access to social security benefits, table 6.1 below shows that while women have increased as a proportion of all those receiving long-term disability and unemployment benefits they still remain a minority (about one-third) of such recipients. When all long-term benefits are taken into account women constituted a lower proportion of long-term beneficiaries in 1990 than in 1970. Furthermore, women constitute an even greater proportion of those receiving long-term assistance (ABW) in 1990 than they did in 1970 (Sainsbury, 1996).

Table 6.1 Long-term utilisation of social benefits in The Netherlands, 1970-90

	1970	1980	1990
Disability benefits			
% long-term beneficiaries of all persons receiving disability benefits	53	58	75
Women as a % of all receiving long-term benefits	27	27	31
Unemployment benefits			
% long-term beneficiaries of all persons receiving unemployment benefits	3	9	27
Women as a % of all receiving long-term benefits	26	25	34
Assistance ABW			
% of long-term beneficiaries of all assistance recipients	41	44	55
Women as a % of all receiving long-term benefits	80	89	93
% women of all long-term beneficiaries	39	34	38

Source: Sainsbury (1996) table 8.4

Individualisation in The Netherlands, as in Ireland, has been strongly driven by labour market concerns, particularly by high rates of unemployment in the late 1980s and by relatively high levels of non-employment. Cultural-political trends have shifted the emphasis onto wage labour as the means by which economic independence and social integration should be attained. Individualisation has also taken place within the context of a broader move to recast the role of social assistance from that of safety net to that of 'trampoline' into paid work. Accordingly, individualisation as it applies to means-tested schemes has focused on obligations rather than entitlements. Of central importance in this respect is that mothers' right to an income without the corresponding duty to apply for, look for, or take up, paid work has been dismantled. The provision of care for children is no longer considered a reason for exemption from paid work. As Bussemaker notes, 'there has been discussion only on the question of whether an exception should be made for mothers with very young children and if so where the age boundary should be drawn' (1997: 109). This was reinforced by the 'New General Social Assistance Act (ABW - Algemene BijstandsWet) which came into force in January 1996. Insofar as the ABW 'stresses the importance of the claimant maintaining his or her ties with the labour market and making preparation for future participation during periods when caring tasks are being carried out', it effectively marked a change in the treatment of lone mothers as workers rather than homemakers (Bussemaker et al, 1997).

The mixed consequences of the Dutch individualisation strategy has been commented on by Sainsbury (1996). On the one hand, she notes that the ‘introduction of reforms to individualise women's social rights - not merely remove supplements for family members as in the UK - gave Dutch women new entitlements’ and that the Dutch strategy ‘created a favourable climate to establish eligibility requirements in employee insurance schemes that accommodate women's working patterns’, resulting in ‘a change in childcare policies from tax exemptions towards provision of care facilities (but not the right to childcare)’. On the other hand, it has also it ‘strengthened the rationale for introducing work obligations for mothers with young children’ (1996: 216-7). Indeed, central to the Dutch social security system is the principle of self-support: partners of the unemployed now are expected, wherever possible, to seek work (mirroring the Joint Claims procedure recently introduced in the UK). Individuals are exempt from the work test if they are responsible for the care of one or more children aged under 5 years old. Where children are aged 5 or more, cases are examined on an individual basis in order to determine whether there are any grounds for exempting recipients from the general obligation to take up paid work. If no good reason can be established, mothers are expected to become active in the labour market and, like other clients, are subject to job search and acceptance rules (they are no longer free to refuse a job below their qualifications) (Van Der Veen and Trommel, 1999). For those unable to find work, decentralised social service agencies assist recipients with job search and training for work. Municipalities are charged with labour market integration, and are in essence responsible for implementing the legislation. The responses by municipalities have been varied: some have strictly applied the legislation, punishing those who do not make sufficient efforts to find a job; others have marginalised lone mothers as a category of benefit recipients who cannot be readily employed; others have used their discretion creatively in order to support lone mothers according to their needs (Bussemaker, 1997: 117; Van Drenth, Knijn and Lewis, 1999).

Alongside this growing emphasis on mothers' obligations to take up paid work, Plantenga et al argue that central also to The Netherlands' individualisation strategy is 'the strong emphasis on the equal sharing of time, between paid and unpaid work as well as between men and women' (1999: 100). In other words, The Netherlands has sought a degree of gender reconstruction in its 'working time regime' to accompany individualisation (Plantenga et al, 1999; Sainsbury, 1996). This essentially entails adjustments to the gender division of labour in order to encourage women's participation in employment. Although the ABW did not introduce a right to public childcare and childcare remains strictly a private family responsibility, unpaid parental leave (paid for public sector employees) is designed to help parents combine paid work and caring (Van Drenth, Knijn and Lewis, 1999). Given these constraints, part-time work has become the most popular and the most realistic option for many women. The Netherlands now has the highest proportion of women working part-time: in 1996 68.3 per cent of women worked part-time, compared with 31.5 per cent in the EU as a whole. Part-time work has been encouraged by the removal of hour thresholds in minimum wage regulations and social security regulations have almost abolished these thresholds. Critics have pointed out that beneficiaries of national assistance are only allowed to add a small amount of market income to their benefits, so it does not pay to work only a few hours a week. Indeed, it is only economically worthwhile to work at least 32 hours a week This means that individuals are realistically faced with having to choose either benefit paid at social minimum or income from full-time paid work (Delft and Niphuijs-Nell, cited in Bussemaker et al, 1999: 103).

Overall, then, as Plantenga et al note, this policy shift by The Netherlands - its emphasis on mothers' obligations to take up paid work and encouragement of fathers to share in unpaid work – has not necessarily resulted in equality of access to employment and

> the once strict division of labour between breadwinner and care-provider has been transformed in the space of a few decades into a one-and-a-half earner model, with women emphatically in the role of secondary earner. (Plantenga et al, 1999: 102)

Indeed, although women's participation in paid employment has increased, men's participation in unpaid work has been 'disappointing', and the utilisation of unpaid parental leave by fathers is lower than by mothers (Van Drenth, Knijn and Lewis, 1999). In response to the continuation of gender inequality, the debate has shifted since the mid-1990s from that of encouraging women's participation in public life (employment) to encouraging men's participation in informal care. The Dutch Equal Opportunities Council ('Emancipatieraad') proposed a 'twice-three-quarter model' of work that it hopes will facilitate a more equitable division of paid and unpaid work. It proposed the further individualisation of the tax and social security systems, replacing the family minimum wage by an individual minimum wage, shortening the working week from 38 to 32 hours for the purposes of calculating benefits, and extending public care provision. Under this model, both men and women would be expected to participate in employment for four days a week and share unpaid work (Plantenga et al, 1999: 102).

CHAPTER SEVEN

AGGREGATION AND INDIVIDUALISATION ISSUES IN AUSTRALIA

The only non-EU country considered in this report, Australia, exhibits some strong similarities and dissimilarities with our EU case study countries. As noted in Chapter Five Australia is sometimes categorised with the UK in comparative welfare state analyses. For example, Siaroff (1994) and Shaver and Bradshaw (1993) for different reasons place the UK and Australia together in their classifications. The most frequently cited typology Esping-Andersen (1990) placed Australia along with the UK and the USA in a 'liberal' group characterised by relatively low taxation, low public expenditure on social welfare and a strong emphasis on selectivity and means-testing in social security. However, Castles (Castles and Mitchell, 1991; Castles, 1996) has argued that such commentators have misunderstood the character and impact of the Australian state because of their over-emphasis on the highly symbolic 'universality vs. means-testing' dichotomy. He has pointed out that the Australian 'wage earners' welfare state' has been predicated on a maintenance of income security and equality through central control of the wages system, distinguishing it from other liberal states such as the UK and USA though also marking the first of a number of similarities with the Republic of Ireland. (Castles, 1985).

Neither Ireland nor Australia developed the kind of extensive universal public welfare system found in many continental European countries. Throughout the twentieth century, relations between the social partners (government, employers and workers) in both countries were regulated by central wage fixing mechanisms, initially called The AIRC in Australia, and successive Accords (wages policy agreements).

In the early years of the twentieth century, government and arbitration court decisions commodified men's labour (Edwards and Magarey 1995:5). The same decisions, together with the introduction of a state subsidy for women bearing children – the maternity allowance or 'baby bonus' - simultaneously decommodified and familised the labour power of all women. At the same time, i.e. the first half of the 20th Century, in Australia as in other countries, the welfare state was growing into a two-tiered system: one sub-system for the ‘independent’ white able-bodied working age men and another for dependent women as Fraser summarises it:

> [The first] set of programs is oriented to individuals [and] tied to participation in the paid work force ….. The second set of programs is oriented to households … tied to combined household income. (Frazer, 1989:149)

In the second half of the twentieth century, the Australian labour market became less masculinised and the femininity of the welfare state (Shaver 1995) decreased with a sharp shift from gender difference to gender equality in both the discourse and the distributional effects of the social security system, culminating in the 1994-1996 changes to the structure of family payments and their re-orientation from men to women.

Edwards and Magarey (1995) argue that the Australian social security system was predicated on contradictory assumptions about the position of women from its very inception in the first decade of the 20th century as a means-tested flat-rate social assistance system of income support, to the introduction of old age and invalid pension in 1908, and especially in the consolidation of social security arrangements during World War Two when child endowment, widow’s pension, unemployment and sickness benefit were introduced. On the one hand, women were and continue to be treated as independent of male partners in terms of their eligibility for payment, and entitlement is not derived from formal workforce participation of the woman or her partner as it is in most social insurance systems. On the other hand, women’s market-related dependency has been reinforced in the constitution of the married couple whether de jure or de facto as the unit of income and assets testing and as the unit of payment in the case of some benefits (Edwards and Magarey 1995:42)

A period of growth of restrictions on social security eligibility and assistance began with the abolition of widow’s pension in the name of equality well in advance of the achievement of equality for women in the Australian labour market (Shaver 1995).

Public income support provisions in Australia differ from those in most other developed countries apart from New Zealand. Payments are flat-rate and paid from general government revenue. There is no social insurance provision. Payments are made on a categorical basis with the most important categories being the aged, people with disabilities, those caring for people with disabilities, the unemployed, lone parents, the short-term sick, war veterans and families with children.

Benefits are subject to income and assets tests but these employ generous thresholds compared with the similar tests applying to social assistance in other OECD countries. There is an 'extensive' system of assistance with childcare costs and some assistance through the taxation system. Those renting privately may be entitled to assistance with housing costs (Whiteford 2000).

As Eardley (2001) noted the 'quantum' of redistribution available for the Australian welfare state has been and remains small limiting its anti-poverty effectiveness. However within that constraint the effects of the highly targeted Australian system are significant in terms of both horizontal redistribution between family types and horizontal redistribution towards those with low market incomes. This, together with the post-1994 direction of most family payments to women as the main carers of children, means the Australian welfare state can be judged successful both in general household anti-poverty and redistributive terms and in individual and gender equality terms.

The issue of care or social reproduction and the rights to benefits of unpaid home carers (whether mothers, wives or other) was much more in the mainstream of Australian policy discussions in the 1980s and 1990s than in the UK, Ireland or The Netherlands.

It is against this background that the individualisation agenda has progressed farther in Australia than in any other developed country. This appears to be the result of two factors. The first factor is the strong political presence of women's 'voices' both in the formal political system and the policy making community; 'Australia has achieved a unique and important network of structures which have the official role of promoting women's interests. At both the federal and State levels [there are] Offices of the Status of Women at federal level located within the Department of the Prime Minister and Cabinet' (Bryson 1995:72). The second factor has been concern about low levels of labour supply among families in receipt of welfare (for Australian concerns about workless households, see Douglas et al (1993) and the Working Nation White Paper (1994)). Working Nation recognised the need 'for a major restructuring of income support arrangements for unemployed couples' and recommended that income testing be applied to individuals rather than couples (1994:147). Australia thus moved to improve women's personal incomes and 'unlock' additional labour supply through the following means beginning in 1996 and continuing through to 2001.

The couple rate of unemployment allowances was split and the income test partly individualised.

1. A partial disregard of partner's earnings for unemployed couples receiving jobseekers' benefits was introduced; The first $30 is disregarded and thereafter a taper of 50 per cent is applied which continues up to the level of 40 per cent of manufacturing wages;

2. A new (income-tested) benefit Parenting Allowance for those caring for children at home was introduced;

3. An equivalent benefit for older wives over 40 and without recent employment experience, The Partner's Allowance, was simultaneously introduced. The means test for these two new benefits is individual but the amount due is reduced by 70 cents per $ of partner's income over certain levels (Millar 1998: 34).

Millar comments that women's interests seem to have been well served by these new policies. Although full evaluative empirical evidence is not yet available on the effects of these reforms, women do now receive a much greater share of social security income directly (ibid). In addition Landt and Pech (2000) show that the changes to unemployment allowances have resulted in an increase in the reported labour supply of recipients up to 18 per cent in 1998 from a base in the 1980s of next to nothing.

Comparison of approaches to individualisation in the case study countries

The complexities involved in classifying national social security or welfare regimes together with an absence of high quality evaluative evidence on the issues of concern in this report militates against any straightforward comparison of the various countries' regimes and their effects. In a search for transferable policy lessons, we have attempted to highlight common policy legacies and dilemmas between the case study countries and the UK as well as noting key differences between them in their 'gender regimes' and the recent policy approaches they have adopted to the definition of benefit units and the practice of aggregation.

As regards the structure of benefits, Appendix Four presents a more detailed overview of units of assessment used for the principal means-tested benefits in our European case study countries. We do not attempt to summarise these structures nor to compare their relative 'generosity' or 'stringency' (for which a more detailed and resource intensive analysis would be required). It is, however, worth noting that the nuclear family (claimant, partner/spouse and dependent children) is the main unit of assessment in these countries, both in respect of entitlement (who is taken into account when calculating benefit) and coverage (who the benefit is supposed to pay for). However, the ways in which adult dependants are recognised vary: Ireland pays a 'Qualified Adult Allowance', a supplement paid in addition to the main unemployment payment (as it does with other non-contributory and contributory benefits) which is worth 70 per cent of the main payment, while Supplementary Welfare Allowance is expected to cover household needs and is made in the form of a single payment. The UK distinguishes between single and couple rates (the latter for a couple aged 25 or more in receipt of Income Support is approximately 57 per cent greater than for a single person aged 25 or more). The Netherlands, like the UK, distinguishes between single, couple and lone parent rates of benefit but these rates are expressed as a proportion of the minimum wage (100 per cent of the minimum wage for Algemene Bijstand and 30 per cent for Toeslagenwet). There are two other notable differences between the countries. The first of these concerns the inclusion of homosexual partners. The Netherlands is the only case study country which recognises homosexual partners in the assessment and payment of benefit; in the other countries same-sex partners are treated as two single people by the tax and benefit system. The second difference concerns the availability of the payment-splitting facility in Ireland, The Netherlands and Australia but not the UK. However, it should be noted that although special arrangements can be made for benefit to be paid to the partner of a claimant in exceptional circumstances in Ireland and The Netherlands, in both of these countries means-tested benefits may only be paid to one of the partners in the couple whereas Australian payment splitting has been more thorough going.

In the Dutch, Irish and Australian contexts individualisation has been strongly driven by labour market concerns. Here, a key policy driver behind individualisation has been to increase women's labour supply, especially the labour supply of women partnered with benefit recipient men, and measures have aimed to increase women's access to market income first rather than benefit income (although this may be an indirect consequence in relation to social insurance). The significance – and difficulties - of such a strategy should not be under-estimated, particularly when account is taken of the fact that both the Irish and Dutch regimes have institutionalised a strong historical preference for women as homemakers. The Netherlands is more akin to the UK than Ireland in its near reversal of the principle that married women and mothers should not participate in employment. In The Netherlands, like the UK, the increase in women's employment rates has been channelled through part-time work in the interests of work-life balance. Ireland appears to be heading this way too, but its strategy is being developed against a backdrop of lower rates of women's and mothers' employment and in the context of constitutional prescriptions that full-time mothers should not be worse off than working mothers. Although women's employment participation in all the countries has indeed increased in recent years, it is not possible to assess precisely the role aggregation and unit of assessment changes have played relative to other factors.

In addition to labour supply concerns, individualisation has also been driven by a poverty/social exclusion agenda – as it is likely to be in the UK. Thus, the recent emphasis in Ireland on improving (universal) child income support, not too dissimilar from the UK's development of the Integrated Child Tax Credit to begin in 2002/3, is a key element of the government's anti-poverty and welfare-to-work strategies as well as a key means by which mothers' economic independence is to be assured. In neither Ireland nor The Netherlands does individualisation seem to be driven by a primary commitment to women's economic independence or their equality, although these issues do form an important policy backcloth. The equality discourse has been rather more in evidence in Australia.

As regards the degree of ease or difficulty in moving previously breadwinner welfare regimes towards a more individualised basis, individualisation strategies encounter many more difficulties in systems which centre on the individual as the beneficiary with supplements for family members (UK and Ireland) than those which focus on the family as the unit of benefits and contributions (The Netherlands) (Sainsbury, 1996). This is principally because individualisation requires the reduction in the importance, or even the elimination, of women's entitlements as wives. This is a process which has already begun in the name of equality in the UK and Australia in relation to survivors' benefits. As we noted in Chapter Five, the Irish breadwinner variant poses particular problems for an individualisation strategy because, while it is far from alone in respect of aggregating hours worked and income in assessing benefit entitlement, its structure of adult dependants' allowances is such that a key means by which resources are channelled towards women will be removed. In essence, individualisation entails gradually reducing financial support for 'wifely' labour and it will have a detrimental effect on women who only have entitlements built up through marriage, and/or those who have meagre benefits as workers. It is this conundrum which Australia sought to solve through the introduction of Partners Allowance to parallel the Parenting Allowance. Ireland appears to be redirecting some of these resources in support of 'motherly labour' through the reform of its child support arrangements. On the other hand, and taking account of the more onerous work requirements for mothers, in The Netherlands individualisation has given Dutch women new entitlements (Sainsbury, 1996).

Finally, we have highlighted that individualisation may lead to the introduction of more onerous paid work obligations on mothers and women in general and even the reaffirmation of the principle of aggregation, without corresponding improvement in women's access to improved levels of social care provision. In this sense, individualisation embodies the danger of becoming a strategy for parallel defamilisation and commodification processes in relation to female labour. While greater commodification may be regarded as desirable in some quarters, it brings to the fore the necessity of recognising the community interest in social reproduction and how those who invest in it will be protected and integrated into an otherwise commodified society. Individualisation in countries like Ireland, The Netherlands and the UK with their strong familist traditions necessarily then entails a broader re-assessment of social provisions and the ways in which these affect the terms on which individual men and women are expected to participate in both paid employment and social care. Until these issues are addressed a narrowly conceived individualisation strategy will flounder in its own contradictions and may lead to intolerable strains on family life.

CHAPTER EIGHT

INDIVIDUALISATION AND POTENTIAL REFORM IN THE UNITED KINGDOM

Introduction

In Chapters One, Two and Three we outlined the reasons why international and domestic policy agendas have turned at various times to greater or lesser degrees, to consider issues of individualisation and its converse, aggregation. Briefly, these were:

1. The justice requirement to address 'hidden poverty' and the absence of social rights and social inclusion of women relative to men.

2. The requirement to address economic inactivity and under-employment among women partnered with benefit recipient men, and, through that, address what is known in the UK as the work-rich/work-poor household divide. Despite overall rises in women's labour market participation and a significant reduction in male unemployment in recent years, there remains a worrying concentration of income from paid work in some households and a concentration of lack of income from paid work in others. This divide is regarded as making a significant contribution to both the extent and the depth of problems of poverty and social exclusion (HM Treasury, 2000).

3. The familial/social sustainability work-life balance requirement to accommodate the reality of women's preferences for economic security and independence within families and thus make participation in two-parent households as attractive as participation in one-parent or sole-adult households, and to accommodate women's preferences for a more realistic and less pressurised combination of paid work and caring.

UK fiscal policy since 1997 has increased income redistribution from rich to poor working households. The use of household income-testing combined with other changes to the UK social security system has not, however, improved the personal incomes of wives and mothers (McLaughlin, 2001; McLaughlin et al, 1999). Nor has it equalised the social protection that women receive relative to men. Thus issues of both inter-household processes of social exclusion and intra-household issues of social protection and equality come together to suggest the time is right for a 'policy pause' a time for reflection on the direction and implications of UK social security and fiscal policy reform.

In this report as an aide to reflection within this 'policy pause' we have documented both the philosophical and economic rationales for a concern with aggregation and individualisation issues, and we have examined the historical background to these issues in the UK and recent responses to them in three other countries: Ireland, The Netherlands and Australia. We have done so not to suggest that UK answers lie in simple policy transplantation nor through a belief in the value of social convergence, but rather as an illustration that reforms in this field are practicable and indeed are regarded elsewhere as making a positive contribution to work-life balance among all households and not only poor households.

We believe the various reform possibilities of (1) full disaggregation; (2) partial disaggregation and payment splitting; (3) modernised social insurance and (4) a tax credit variant of the Australian reform model should be selected and assessed against five criteria, the first three of which are theoretical in nature, while the second two pragmatic. The first criterion concerns the degree of defamilisation new institutional arrangements would provide. As McLaughlin and Glendinning (1994) outlined, defamilisation refers to the conditions under which individuals engage in familial relationships and specifically the extent to which these conditions facilitate the enjoyment of non-patriarchal, egalitarian relationships. As such, defamilisation is concerned with the extent to which institutional arrangements provide individuals with the freedom to create their own familial moralities and practices within the space of intimate emotional relationships rather than being pulled or pushed into traditional structures, and associated moralities and practices which in the recent past have provided women with such little voice that for many 'exit' or non-entry has appeared preferable to engagement. The second criterion is that reforms should benefit those most worst off most - the minimax principle of Rawls and others. Presently, mothers and other women caring full-time in low-income multi-adult households together with part-time, low-paid employees with caring responsibilities are the two social groups with the fewest rights to social protection and the lowest individual incomes. The third criterion refers to the degree of 'fit' with existing policy logics; correspondingly, the fourth criterion refers to ease of implementation and the fifth to affordability, though affordability is notoriously difficult to assess depending as it does on how widely costs are defined and counted, whether indirect as well as direct costs are included and whether and how probable behavioural effects are quantified.

The UK is not unusual, as Chapter Four showed, in international terms in having a significant 'policy gap' in this area, nonetheless as Chapters Five, Six and Seven showed, other countries have progressed beyond the UK in the last two to five years, both in terms of thinking through the possibilities of reform and their reform practices in this area. The first of the drivers for the change identified above - the justice driver - has been given new legitimacy by the UK government's decision to produce an individual income series paralleling the traditional household income series; the first of these was published in January 2001 (The Cabinet Office, 2001).

Action to address work-life balance has some urgency as recent social attitudinal data continue to show that women in the UK wish to achieve a better balance between paid work and family life than they found possible in the 1980s and 1990s. Accordingly, reforms which increase women's independent incomes from the tax-benefit system of social transfers and permit a work-life balance which is protective of health and family well-being should be prioritised over measures which would increase women's incomes by increasing their earnings, at least where the latter is achieved by increases in hours of paid work. There remains, of course, an unacceptable gap between men's and women's hourly earnings and our argument that it is time to address work-life balance issues and women's desire to have socially-protected time to care does not mean we regard the achievement of equal pay as unimportant. Clearly it is not, but even if this were achieved there would remain a need to provide social protection on an individual basis for those with reduced economic activity. Reform in this area must proceed from a platform within which positions have first been taken on the value which society wishes to attach to social reproduction and care, whether of children or adults. We believe some social transfers from those with little or no participation in care and social reproduction to those with high participation is entirely just, timely and in the community interest rather than just the interests of the individuals who would gain in the short-term.

In what follows we consider four principal options for pursuing individualisation: (1) the social insurance route; (2) the full disaggregation of existing benefits and tax credits; (3) partial disaggregation and payment splitting as in Ireland and The Netherlands, and (4) a UK tax credit variant of the Australian reform package. The final option is the reform agenda we believe performs best against all criteria though all of these reduce the extent to which wives/mothers have to rely on their husbands for an income, albeit to differing degrees, and they would reduce the numbers subject to joint assessment for all or part of their entitlement. It is important to note that some of the options require a long-term view of the development of the social security system. In addition, these options are not mutually exclusive and elements of each could be combined in a set of phased reform waves.

1. The modernisation of social insurance

This option involves extending and expanding National Insurance. Although such a reform choice runs counter to what appears to be an implicit policy of 'burying' social insurance in the UK (McLaughlin, forthcoming 2001), it is significant that the Irish reform agenda has not ruled out this possibility as an option for the future. This is in many respects the tidiest way of extending individualisation because National Insurance already operates largely on the principle of individual entitlement and payment and does not have the same depressive effects of labour supply that means-tested benefits and tax credits do. However, an effective strategy would require a considerable change in the insurance system otherwise women will continue to be disproportionately excluded from contributory benefits.

The modernised social insurance model outlined by the Commission on Social Justice in 1994 had the following elements:

§ the removal of adult dependants' allowances under insurance benefits;

§ the introduction of allowances for children in insurance benefits, with provision for payment of half-rates to each partner if one partner is in receipt of an insurance benefit themselves;

§ the introduction of 'full' insurance credits for those engaged in full-time care of children or adults, education, training, employment paid at rates below the lower earnings level or participating full-time in voluntary work. By full insurance credits was meant those which give general entitlement under contribution rules for access to all insurance benefits and not just to state retirement pension as in the case of the current crediting system, Home Responsibilities Protection;

§ non-contributory benefit levels (specifically Invalid Care Allowance) to be raised to that of contributory benefits and in the longer-term moved onto an insurance basis;

§ the introduction of a part-time unemployment insurance benefit, and ultimately other benefits also to be available on a part-time basis;

§ the introduction of a Parental Care Allowance (equivalent to ICA paid in respect of caring for adults) for those caring for children aged 3 years or less at home; mothers of children under 3 years old would be required to be available for paid work on a part-time rather than a full-time basis in order to be eligible for unemployment benefit; this requirement would also be waived if suitable forms of 'out of hours' child care are not available in the claimant's locality;

§ universal Child Benefit would also be raised;

§ the couple basis for assessment and payment of means-tested household benefits (e.g. Housing Benefit) would be retained but would affect fewer people as more of the population moved into insurance coverage.

The reforms the Commission proposed would have meant the end of derived rights, the full recognition of the value of unpaid caring work for the purposes of calculating contributions, and a partnership approach to care. The Commission envisaged the means-tested system acting purely as a residual, safety net or 'emergency' role. Its proposals were intended to recognise the prevalence of 'atypical' or non-full-time forms of employment, recognise the value of prevalent types of unpaid work, and to provide more access to independent incomes for women and men, thereby reducing key sources of inequality between men and women. A key purpose of an individualised system of benefits is to promote independent incomes, but it should also contribute to a reconstructed system of gender relations. By widening the range of social activities that are recognised by the social insurance system and feeding through to more general social and political recognition, an expanded and extended model of social insurance would recognise the value of social reproduction as much as economic production.

The proposals of the Commission on Social Justice were intended to be implemented over a 10-15 year period and were capable of laying the basis for a subsequent move to a participation or basic income over a 20-30 year period, if desired, either for the general population or for all people who are not currently in paid employment. This would be paid regardless of their National Insurance contribution record or their partner's income but would be subject to contribution to society through for example a Non-Workers' Benefit (Duncan et al 1994).

2 Full and partial disaggregation of existing benefits

Taken to its logical extreme, a fully individualised system would entail total independent treatment in the social security system. In addition to individualised social insurance, there would also be individual means tests for which only the claimant's income and assets are taken into account (i.e. they would exclude those of their spouse or partner). There would be no dependant's allowances, except in respect of children, in either insurance or income-tested benefits and credits. Every adult would be treated as a single person, as of course homosexual couples currently are in the UK. Thus, all four aspects of the social transfer structure from coverage to payment would be individualised. Each adult would be assessed on the basis of his or her personal resources and would be paid their own benefit.

Individualised means tests were considered by Esam and Bethoud who argued that the 'assessment of premiums on an individual basis may reflect needs better than current arrangements do' (1991: 27). Assessing each individual in the married couple as a single person would benefit married people, providing they were both on benefit. Esam and Berthoud also argued that it 'would also benefit most couples in receipt of the pensioner premium, when it is likely that both partners will be pensioners' (ibid). Fully independent means tests have, however, been dismissed on a number of grounds. First, it is assumed that they would favour the rich, as benefits would be paid to the 'poor' partner in an otherwise 'rich' household. Second, they would increase the number of families falling within the scope of means-testing, effectively doubling the number of people claiming means-tested benefits and extending the role of means-testing with its problems of intrusion, stigma and compliance costs. Third, the cost of fully independent means-tests is prohibitive, requiring a large increase in spending (ibid: 31-33). Hills (1993) estimated full disaggregation would cost the equivalent of seven pence in the pound on income tax.

Consequently a number of 'weaker' or partial versions of individualised means-testing have been aired. Esam and Berthoud (1991) consider 'partial independence' alternatives to the independent means-test. Under the partial independence option, each individual could apply for Income Support to meet his or her personal assessed needs, and would receive an additional amount for needs in which there are economies of scale (e.g. indirect housing costs). The minimum independence option entails assessing personal needs against personal incomes, while benefits for common needs (housing, household and children's costs) are assessed on a family basis.

There have also been suggestions that benefits assessed on a couple basis should be subsequently disaggregated for payment purposes. That is to say, rather than disaggregate the first two parts of the social transfer structure (claiming and assessment of eligibility) disaggregation would apply only to the third part payment where each individual would receive payment on an individual basis worth half the couple-rate. This practice currently exists and has existed for some time in Ireland and in The Netherlands where it is known as payment splitting and 'administrative individualisation' respectively. It was considered by Duncan et al (1994), who considered splitting Income Support payments, where IS would be assessed on the basis of household resources, but the payment of IS would be split equally between the partners in a married/cohabiting couple. Re-assessment would be necessary if one or other partner took paid employment or acquired income in some other way. Although low cost, this option performs poorly in terms of both labour market and familial criteria, while Goode et al (1998) showed that such payment splitting may reduce the overall amount of income in the shared household pool and adversely affecting welfare. Finally, this reform option renders highly visible the problem of the 'lower' couple rate in subsistence benefits compared to the single rate (that is, of couple rates being less than the amount paid to two single people). In Ireland, in recognition of this problem individualisation is being pursued for pensions by increasing the adult dependant allowance to near(er) the same rate as the personal payment for the claimant; the combined amount will then be shared equally between both partners.

3. A UK variant of the Australian reform package

If we accept the dominant policy logic of Labour's first administration, individualisation reforms in the UK today will be pursued in an environment of an increasing integrated tax-benefit system rather than one of separate social assistance and insurance benefits on the one hand and taxation on the other. Accordingly, we consider below planned and possible tax credit developments in the context of the issues considered in this report and whether those proposals could be modified or further developed so as to improve social protection for full and part-time carers. The government's new Integrated Child Credit (ICC) will effectively provide a modest basic income for children, paid to mothers presumably by giro for non-employed mothers and PAYE for employed mothers. Mothers who lost out under WFTC will thus have their situations redressed; while mothers in couples receiving income-tested Jobseekers' Allowance and in couples receiving Income Support due to the disability of the main claimant will all now have part of the families benefit entitlement paid directly to them (HM Treasury 2000, and Budget 2000). Meanwhile, an employment tax credit will be introduced for all adults.

Australian-influenced UK tax credit reform could take the form of a 'ring-fenced' employment and/or care credit for each adult. Each adult in a couple could be given their own 'protected' or ring-fenced credit for participation in employment. This could go a long way to ameliorating the otherwise negative effects on labour supply which the expansion of couple-based income testing inherent in the tax credits approach involves. However, the credit would have to be only partially taken into account (that is what is meant here by ring-fenced) when a partner's income is added to that of the first adult if women, especially women working part-time, are going to end up with a reasonable level of personal income (See also CPAG and Millar, 2000). Effectively this means disregarding partner's incomes above certain levels so as to protect the credit of the other partner. This has many resonances with the Australian system of partial disregards of a partner's earnings. The Employment Credit itself could be paid at different levels so as to reward full-time over part-time paid work. However, this would penalise carers relative to others unless a tax credit, for caring, equivalent to the Employment Credit, was introduced at the same time. Accordingly, we see two reforms being require. The first such reform would be a facility whereby a partner's earnings are disregarded above a certain level so as to protect each individual's personal Employment Credit. The second such reform would be the introduction, for both its symbolic and material value and arguably its simplicity and flexibility, of a Care or Home Responsibilities Credit set at the same level as Employment Credit and again available at both part-time and full-time levels. This credit could be restricted to those with pre-school children and/or caring for adults in receipt of Disability Living Allowance. To maintain incentives for employment individuals could be entitled to the part-time level of both the Employment and the Carer Credits but never to the full-time rate of both.

When combined with the Government's ICC, a full-time stay-at-home mother or other carer would receive a personal income of her full-time Care Credit and her children's ICC rates, if any; meanwhile her partner would receive his full-time Employment Credit. The family and the mother could both increase their incomes by her participation in part-time work. A mother or other carer who worked and cared part-time would receive a personal income of part-time Care Credit by giro, part-time Employment Credit in her net pay and the family's ICC, while her partner received his full-time Employment Credit.

It should be relatively simple to establish the break off points for partners' earnings which would leave the other partner with an income equivalent to the full-time Employment Credit. The ICC is already regarded by many as a basic income guarantee for children. Here we have proposed that the next step towards developing a basic income guarantee for every adult which respects the significance of unpaid caring but also the importance of incentives for paid work is (a) the introduction of a Care Credit equivalent to the Employment Credit and (b) the introduction of part-time as well as full-time rates of both Employment and Care Credits. To ameliorate the negative effects of couple-based assessment for social protection and labour supply we also recommend (c) the introduction of partial disregards or 'ring-fencing' of credited income through the use of break-even points in the tapers which act to prevent any adult with caring responsibilities ending up with no entitlement, all should be entitled to the equivalent of the full-time personal adult allowance rate of Employment Credit.

In such a scenario, the Invalid Care Allowance would be abolished as would the carer's premium in Income Support; indeed, Income Support for lone parents would no longer be required. We believe the proposals are flexible enough to facilitate many choices in work-life balance as between caring and employment and between the sexes whilst maintaining incentives for full-time employment. We have not discussed delivery issues which, as Millar (2000) notes, are of as much importance as the structural design of fiscal systems for the social protection of citizens. We sum up both this chapter and the report as a whole with the table below (8.1) which presents a qualitative assessment of the reform options considered against the recommended assessment criteria.

Table 8.1 Reform options estimated performance against selected criteria

Reform Type	Increase in familial voice	Fit with existing policy logic	Ease of administrative implementation	Decrease in exit incentives	Labour supply incentives
Irish Administrative Disaggregation	B-	B-	A	B-	E
Dutch payment splitting	B	B	B	B-	E
Full disaggregation of existing benefit provision	A	E	B-	A+	C
UK Tax Credit variant of the Australian model	B+	A+	A	A	C
CSJ Social Insurance model	B	D	B+	B	B+

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APPENDIX ONE

THE NEW LABOUR GOVERNMENT'S FIRST TERM REFORMS AFFECTING UNITS OF ASSESSMENT

WORKING FAMILIES TAX CREDIT - introduced October 1999.

Non-taxable, non-contributory, means-tested, assessed on household unit.
Replaced Family Credit as an in work 'top-up' to supplement low paid employment for families with children. Eligibility requires at least one member of a family to be working at least sixteen hours or more per week with responsibility for at least one dependent child.

Calculation of maximum WFTC is dependent on family circumstances. When household income is less that the threshold of £92.90, maximum WFTC is paid. When household income is greater than £92.90, a taper of 55 per cent of the excess is deducted from the maximum WFTC.

A Child Care Tax Credit offered through WFTC pays 70 per cent of approved registered child care costs to a maximum of £100 for the first child and £150 for two or more children. The CTC is restricted to households where all parents are working.

One payment is paid per household. The person who makes the claim will determine how the credit is paid. If an employed person makes the claim, the employer will make the payment through the wage packet. If a non-employed partner submits the claim, then the Inland Revenue will make payment by order book or directly into a bank account.

MAIN DIFFERENCES BETWEEN FAMILY CREDIT AND WORKING FAMILIES TAX CREDIT

The family and child components of WFTC have been increased. The threshold or applicable amount has been increased from £80 in FC to £92.90 in WFTC. The excess amount of income that exceeds the threshold is withdrawn at 55 per cent in WFTC compared to 70 per cent in Family Credit. However, low-income families who may be in receipt of Housing Benefit and/or Council Tax Benefit will see any increased income negated, as WFTC is included in HB/CTB income calculations.

The increased generosity of WFTC has extended eligibility of in-work support to a greater number of families but has developed an expanding means-tested domain. It is estimated that because of tax credits, 38 per cent of all households will be supported by income-related benefits by 2003, compared with 24 per cent in 1999 (Dean, 2001).

CHILDREN'S TAX CREDIT - introduced 6 April 2001
Taxable, means-tested, individually assessed

The Children's Tax Credit (CTC) replaced the Married Couples Allowance (MCA) and the Additional Personal Allowance (APA), both of which were abolished one year earlier in April 2000.

The CTC is an income tax relief for people with at least one child under the age of sixteen and will reduce the amount of income tax paid by up to £10 per week. To be eligible for the CTC, you or a partner must be in employment and paying income tax.

- If one member of a couple is paying the higher income tax rate (40 per cent) that member must make the claim for CTC.
- If both members of a couple are paying the higher income tax rate, the higher earning partner must make the CTC claim.

- If neither is taxed at the higher rate, one member of a couple can claim the CTC in full or it can be split between a couple.

The credit is gradually withdrawn when the individual income of either partner exceeds approximately £34,000, and it ceases to be paid when individual income of either partner reaches approximately £42,000.

However, in a couple where neither partner pays the higher tax rate but who may have a combined income of £42,000 or more may receive the full CTC. Those in low-paid employment will see their in-work benefit reduce as their net income increases (although the forthcoming increase in WFTC of £5 (June 2001) will help abate this loss).

Those benefiting most from the CTC are expected to be middle-income families (IFS: 2001a).

MAIN DIFFERENCE BETWEEN CTC AND THE MCA/APA

The MCA was a form of tax relief for married people, available to either husband or wife. From 1993 wives had the right to claim half the MCA. The APA was a similar form of tax relief available to separated and unmarried people with children and of equal value. The MCA and APA were available to all tax-payers. The CTC is a form of tax relief for families with children and is withdrawn at 6.7 per cent from people paying higher rates of income tax (IFS:2001b).

From April 2000, the effects of the introduction of the CTC are that a married earner without children will have lost a tax relief and will be taxed similarly to a single person without dependent children.

THE INTEGRATED CHILD CREDIT (ICC)

The Integrated Child Credit (ICC) is seen as a way of merging the two separate systems of income-related payments to children living in 'working' and 'non working' low-income families (see HM Treasury 2000, Queen's Speech 2001).

A Tax Credit Bill in 2001 will introduce an integrated tax credit for families with children. The Integrated Child Credit (ICC) will combine the child elements from Income Support, Jobseekers' Allowance, Working Families Tax Credit and the Children's Tax Credit. Eligibility for the ICC will be assessed on a couple's joint household income and will be payable to the main carer similar to Child Benefit (Budget 2001). The Tax Credit Bill will also introduce an employment tax credit for people and couples without children, to be paid through the wage packet based on the adult allowance in the WFTC (Queen's Speech 2001).

JOINT CLAIMS PROCEDURE FOR JOBSEEKERS' ALLOWANCE - Introduced March 2001

Taxable, means-tested, household unit of assessment.

Both members of a couple claiming Jobseekers' Allowance (JSA) must now make a 'joint claim' in order to receive entitlement to JSA when at least one member of the couple is under 25 and neither member is looking after a child. Both members of a 'joint claim' couple must now fulfill all eligibility criteria as well as meeting labour market conditions. That is, from March 2001 both members must sign a JSA agreement, be available for and actively seeking work:

> Where one or both members of a couple are entitled to contributory JSA but not income-based JSA they will individually receive their CBJSA allowance and not be subject to the joint claim procedure.
>
> Where one or both members of a couple are entitled to IBJSA on its own or as a top-up to CBJSA, joint claim rules apply and the couple can decide which member should receive the payment.

Sanction rules apply to joint claim couples as they do in single JSA claims. Where one or both members of a joint claim couple are sanctioned:

> The non-sanctioned member will be able to claim JSA at the single person's rate where she/he is entitled to CBJSA.
>
> The non-sanctioned member of the couple may claim IBJSA. The income and/or capital of both members will however still be aggregated when assessing eligibility.

Where both members are sanctioned but can prove 'hardship', a hardship payment of IBJSA at the couple rate may be paid.

The government has recently announced its intention to extend the 'joint claim' procedure. From 2002 partners aged under 45 will be required to make a joint claim for IBJSA and both partners will be subject to JSA regulations and requirements.

The current rates of JSA are:

18-24	Single rate	£42.00
18-24	Couple rate	£83.25
Over 25	Single rate	£53.05
Over 25	Couple rate	£83.25

Currently, two single rate JSA payments for 18-24 year olds amount to £84.00, just £0.75 more than the couple rate. However, two single rate JSA payments for those aged over 25 amount to £106.10 - £22.80 more than the couple rate. The question here is: if both members of a couple over 25 have to satisfy eligibility and labour market conditions, will both members be entitled to two single rates of JSA or one couple rate?

MAIN CHANGES BROUGHT ABOUT BY THE INTRODUCTION OF THE JOINT CLAIMS PROCEDURE

Both members of a couple aged under 24, without children must fulfil labour market conditions. They both must sign a JSA agreement, be available for and actively seeking work. After a claiming period of six months, partners will be transported into the New Deal via their status as a dependent partner of a JSA claimant where all aspects of participation are compulsory.

One or both members of a joint claim couple may now be asked for further information and/or evidence to support their claim for JSA and one or both members can be contacted regarding any element of information in respect of their claim.

DISABLED PERSON'S TAX CREDIT
Introduced October 1999.

Non- taxable, means-tested, household unit of assessment.

Disabled Person's Tax Credit (DPTC) replaced Disability Working Allowance (DWA) as an in-work top up payment to supplement low-paid employment for workers with a disability. Eligibility requires the claimant to be working at least 16 hours per week and to be in receipt of a qualifying disability benefit.

Calculation of maximum DPTC depends on family circumstances. When household income for a single person is less than £72.25, then maximum DPTC is paid. When household income for single person is more than £72.35, a taper of 55 per cent of the excess is deducted from the maximum DPTC.

When household income for a couple or lone parent is less than £92.90, maximum DPTC is paid. When household income is more than £92.90, 55 per cent of the excess is deducted from the maximum DPTC.

One 30 hour credit of £11.45 is payable per family. A child care credit is available within DPTC, the same as for WFTC.

For a couple, the disabled partner should make the claim for DPTC. If both members of a couple are disabled, the couple will decide who should be the claimant. A claimant employee will be paid by the employer through the wage packet. The Inland Revenue will pay a non-employee by order book or into a bank account.

APPENDIX TWO

UNITS OF ASSESSMENT IN SOCIAL ASSISTANCE BENEFITS GUARANTEEING SUFFICIENT RESOURCES IN WESTERN EUROPE

COUNTRY	BENEFIT	BENEFIT UNIT	RESOURCE UNIT	**RESOURCES TAKEN INTO ACCOUNT**
Austria	Sozialhilfe	Household (including grandparents)	Household Beneficiaries and dependent family members living in the same household.	Total income. Exceptions include support by independent welfare organisations, care-related financial benefits, educational allowances.
Belgium	Minimum Moyens d'Existence (Minimex)	Family	Family (but recoverable from others) The spouses concerned; the person only living together with an unmarried minor who is a dependant or with several children of whom at least one is an unmarried minor and a dependant, the person cohabiting or the person living alone.	All resources regardless of nature. Exceptions include family allowances for dependent children; social assistance granted by public centres for social assistance (Centres Publics d'Aide Sociale); study allowances granted to the interested person for the benefit of himself or his dependent children; donations (in certain cases); maintenance payments for dependent children; captivity pensions and war pensions; part of remuneration paid for activities within the framework of the local employment agencies (Agences Locales pour l'Emploi) up to BEF 150 per hour; moving, relocation and rent subsidies and allowances granted by the Regions; productivity bonus; grants, compensations and community benefits for the accommodation of young people in welcoming families.

Denmark	Social Bistand	Family (cohabitants separately)	Family (but not cohabitee) The claimant and children up to 18 years.	All resources regardless of source. Exceptions include assets up to DKK 10,000 or up to DKK 20,000 for a couple and the means needed for up-keep of the family accommodation, for securing the professional activity of the beneficiary and his/her family or for access to education/training. Invalidity allowance and capital from compensation or accident insurance. Income from work is deducted except an amount of DKK 10.85 per working hour (only up to 160 hours per month).
Finland	Toimeentulotuki	Family	Family The claimant and family.	All earnings and assets of the applicant and/or of the family (some exceptions).
France	Revenue Minimum d'Insertion	Family	Family The claimant, spouse/cohabitant, dependants under 25 years of age.	All resources including family allowances; earnings from activities, revenue from property; some special social allowances given to cover specific requirements. Maximum monthly resources for Guaranteed minimum resources: Single person: FRF 2,552.35 Household: FRF 3,828.52

Germany	Sozialhilfe	Family	Household (and recoverable outside) The income and assets of the claimant and spouse who share a household; for unmarried minors living at home, account is also taken of parents' income and assets. Persons living in a quasi-marital partnership may not be better off than spouses.	All income including child benefit. All assets with some exceptions.
Greece	No general scheme exists	-	-	-
Ireland	Supplementary Welfare Allowance	Family	Family The household – claimant and dependants.	All cash income including the value of property (except the home), investments and savings. Family benefit payments are excluded from the assessment of income.
Iceland	Felagsley aostoo	Family (cohabitants separately)	Local Authorities Social Services – claimant, spouse and children up to age 18. State Social Assistance – claimant and spouse.	Local Authority Social Services: all income including family allowances except housing allowances and home-care payments. State Social Assistance: All resources.
Italy	Minimo Vitale	Varies but normally family	Varies but normally household Family as a result of a certificate of the family status. The law is extended to the effective family nucleus who live in the same flat and who share the surviving resources.	All family earnings, except the family dwelling.

Luxembour g	Revenu Minimum Garanti	Household (with exceptions)	Household "De facto" community of all the persons living in the same common household, obviously disposing of a common budget and unable to provide the evidence that they live elsewhere.	All income including supplementary social security benefits excluding family allowances, maternity benefits and long-term care benefits.
Netherlands	Algemene Bijstand	Family	Family Claimant, partner and children under 18.	All resources regardless of source. Capital allowed before any deductions: Single person – NLG 10,000 Married/Cohabitants – NLG 20,000
Norway	Stonad til livsopphold	Family (cohabitants separately)	Family (not cohabitant) Claimant, spouse and dependant children. Common household features are taken into consideration for persons cohabiting.	

Portugal	Rendimento minimo garantido	Family	Family In addition to the beneficiary, the following categories are considered as belonging to his family: Spouse/partner; relatives under age or persons treated as such; minors who are adopted in full or with restriction; minors in guardianship; minors placed in the care of the beneficiary by decision of the courts or by services responsible for the guardianship of minors; minors being placed into adoption if the process has already begun. Those who may also be considered, under certain circumstances, as part of the family if they are in a situation of total financial dependence on the recipient and have become of age: the parents; persons adopted through plenary adoption; persons adopted with restriction; persons considered equivalent; persons under guardianship; adoptive persons.	All household earnings regardless of source except housing allowances, family benefits, study grants and work earnings and education scholarships to 20%

Spain	Ingreso minimo De insercion	Family (cohabitants separately)	Family Family unit: living together of two or more persons who are related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree) and relationship by marriage (up to the 2nd degree).	All resources of the family.
Sweden	Socialbidrag	Family	Family The spouses concerned the person cohabiting or the person living alone.	All resources regardless of their source.
United Kingdom	Income Support	Family	Family Claimant and family: i.e. partner and any dependant child living with them aged less than 16, or less than 19 if in non-advanced education (unless they are in a category entitled to claim in their own right).	Almost all income resources, most social security benefits and pension. Benefits generally ignored include Housing Benefit, Council Tax Benefit and non-contributory disability benefit.

Source: Eardley et al (1996); MISSOC 2000

APPENDIX THREE: 'Families of Nations': Family Obligations in the EU

Model	Characteristics	Countries
Individual	Emphasis on individual entitlements and citizenship rights for all. Lack of legal requirements for family to provide support. Family support flows from parents to dependent children. Extensive state support for parents. Care of the elderly is responsibility of the state rather than the family. Tax and benefits treat people as individuals. Autonomy a key principle.	Denmark Finland Norway Sweden
Nuclear Family	Tax and benefits systems recognise obligations between spouses, parents and dependent children. Cohabitation generally does not confer the same entitlements and obligations as marriage. Services intended to support family care. Formal equality between men and women. Marked division between male breadwinner and female homemaker. Differences of approach regarding: (i) legal obligations to provide financial support (downwards from parents to children – Ireland, UK; downwards and upwards (from adult children to parents) – Austria, Belgium, France, Germany, Luxembourg, the Netherlands). (ii) care of children: presumption of family care of children (Austria, Germany, The Netherlands, Ireland, Luxembourg, UK); childcare as responsibility of state (Belgium, France). Increasing emphasis in all countries on the obligations of parents to young adult children.	Austria Belgium France Germany Ireland Luxembourg Netherlands UK
Extended Family	Clear obligations within the nuclear family, from spouses to each other, from parents to children, and within the extended family (grandparents, siblings, uncles, aunts). Expectation that the family will be first port of call. Services mainly for those without family. Low state provision of child care for young children and that which exists is mainly educational or social in intent. Low state provision of care services for the elderly. Cohabitation is not perceived as giving rise to obligations in the same way as kin relationships. Privacy of the extended family as a whole. Assumptions of dependency relationships in social security benefits and care. Adult children are considered as dependents of their parents.	Portugal Spain Italy Greece

Source: Millar and Warman (1996)

APPENDIX FOUR

UNITS OF ASSESSMENT IN THE EUROPEAN CASE STUDY COUNTRIES

THE NETHERLANDS

BENEFIT	UNIT OF ASSESSMENT	AMOUNT	CAPITAL ALLOWANCE	HOW ADDITIONAL INCOME IS TREATED	PAYMENT

TOESLAGENWET

If income from insurance based unemployment benefit is less than the social minimum, a means-tested supplementary benefit can be claimed.	Claimant and partner (irrespective of sex)	The maximum amount of the supplement is: 30% of the minimum wage for a couple; 27% of this wage for single parents; 21% for single persons. Lower rates apply to single people under 23.

ALGEMENE BIJSTAND

Provides financial resources to those unable to meet the essential cost of supporting themselves or their family. In addition, local municipalities can provide other allowances.	Family	The standard rate is determined at national level and is linked to the net minimum wage. Couples (irrespective of sex) aged 21-26 – 100% of net minimum wage; Lone parents aged 21-65 – 70% of net minimum wage; Single person aged 21-65 – 50% of net minimum wage. Local municipalities may award additional allowances of no more than 20% of the minimum wage for persons living on their own who	All resources, regardless of their nature and origin. Allowed capital: Couple – NLG 20,000 Single – NLG 10,000	Part of the earnings from part-time employment is not taken into account.

are unable to share
housing costs.

UNITED KINGDOM

BENEFIT	**U of A**	**AMOUNT**	CAPITAL ALLOWANCE	HOW ADDITIONAL INCOME IS TREATED	PAYMENT

INCOME SUPPORT

Income Support is a benefit for people with an income below a prescribed level. It is not paid to unemployed people who have to be available for and actively seeking work.	Household – Claimant and partner (heterosexual couple) and family.	**Single** **16-17 - £31.95** 18-24 - £42 25+ - £53.05 **Lone Parent** Under 18 – usual rate - £31.95 Under 18 – in certain circumstances - £42.00 **Couple** Both under 18 - £63.35 Both 18 or over - £83.25 **Dependent children** 0 to September after 16th birthday – 31.45[1] September after 16th birthday to	Entitlement is disallowed if you and/or partner have any capital or savings over £8,000. The first £3,000 is ignored but a tariff income on £3,000-£8,000 is calculated (assumed income of £1 per £250) and deducted from payment. A child's capital does not count in the assessment of capital but if it is more than £3,000, no benefit will be received for the child.	**Single** First £5 of income ignored. Benefit is then withdrawn 100%. **Couple** First £10 of income is ignored Benefit then withdrawn 100%	One payment made to claimant.

day before 19th
birthday - £32.25[2]

Plus any premiums

INCOME-BASED JOBSEEKER'S ALLOWANCE					
Income-Based Jobseeker's Allowance is a benefit paid to an unemployed person who has insufficient national insurance contributions or who works less than 16 hours per week and who is looking for full-time employment. It can be paid in addition to contributory Jobseeker's Allowance as an additional means-tested 'top-up' benefit.	Household – Claimant and partner	As for Income Support	As for Income Support	As for Income Support	From March 2001, both members of a couple must make a 'joint-claim' to receive payment when at least one member of the couple is under 25 and neither member is looking after a child. The couple may nominate either member to receive the one payment.

WORKING FAMILIES TAX CREDIT					
	Household – Claimant and partner	**Basic credits** Single/Couple £54.00[3] Child credit 0-16 £26.00 Child credit 16-18 £26.75 30-hour credit £11.45 Childcare credit 70% of cost to a maximum of £100 for one child[4] and £150 for two or more[5]	Any income or savings over £8,000 excludes eligibility. Tariff income on £3,000-£8,000 (assumed income of £1 per £250)	When household income is less than £92.90, maximum WFTC is paid. When household income is greater than £92.90, a taper of 55% of the excess is deducted from the maximum WFTC	One payment. The person who makes the claim will determine how the credit is paid. If a working partner makes the WFTC claim, then the credit will be paid via the wage packet. A non-working partner can opt to make the WFTC claim and will be paid via an order book or into a joint bank account.

DISABLED PERSON'S TAX CREDIT	Household	**Basic Credits** Single person £56.05[6] Couple/lone parent £86.25[7] Child credits As for WFTC Disabled child's tax credit £30.00 30-hour credit As for WFTC Childcare credit As for WFTC	Any income or savings over £16,000 excludes eligibility. Tariff income on £,3,000-£16,000 (assumed income of £1 per £250)	Single person, When household income is greater than £72.25, 55% of the excess is deducted from the maximum DPTC Couples/lone parents When household income is greater than £92.90, 55% of the excess is deducted from the maximum WFTC	If you are an employee the tax credit will be paid via the wage packet by the employer. Payment is usually made to the claimant but it can be made payable to the partner by the Tax Office if requested. However, if refused there is no right of appeal against this decision.

HOUSING BENEFIT	Household – Claimant and partner and non-dependants living at home. The amount of deduction for a non-dependant in full time employment (over 16 hours) depends on the income of the non-dependant (set income band limits are stipulated). Only one deduction is made for a non-dependant married/cohabiting couple. The deduction made is the highest that would have been made if they were treated as individuals. To calculate which income band applies,	**Personal allowances and premiums as for Income Support, except for young people (16-24) and lone parents under 18 and higher family premium (lone parent) rate**	Any capital or income of more than £16,000 excludes entitlement. The first £3,000 is ignored. Tariff income is calculated on £3,000-£16,000 (assumed income is £1 for every £250) and deducted from payment.	If income is less than the applicable amount, maximum HB is paid. If income is more than the applicable amount, a taper of 65% of the excess is deducted from the maximum HB	One payment is made to the claimant.

joint income counts even if only one member of the couple is in full-time work.

IRELAND

BENEFIT	U OF A	AMOUNT	CAPITAL ALLOWANCE	HOW IS ADDITIONAL INCOME TREATED	PAYMENT

UNEMPLOYMENT ASSISTANCE Paid to unemployed people who do not qualify for, or have used up, entitlement to contributory Unemployment Benefit.	Household – claimant and partner If partner is working and earning less than IR£70 gross per week, then adult dependant increase is payable. A reduced allowance is payable where partner's earnings are between IR£70.01 and IR£135.00. If partner earns more than IR£135 per week, no adult increase is paid. Child dependant payment is halved	Short-term (less than 15 months) Maximum personal rate IR£84.00 Person with one adult dependant IR£138.00 Increase for each dependent child IR£13.20 Long-term (15 months or over) Maximum personal rate IR£85.50 Person with one adult dependant IR£139.50 Increase for each dependent child IR£13.20	Up to IR£10,000 ignored IR£10,000 - £20,000 means assessed at £1 per thousand IR£20,000 - £30,000 means assessed at £2 per thousand IR£30,000 and over means assessed at £4 per thousand	Part-time or casual work up to 3 days per week: For person with a child dependant, 60% of net weekly earnings is assessed as weekly means. For person without child dependant, a disregard of IR£10 per day worked is deducted from weekly earnings and 60% of remaining net earnings are assessed as weekly means. If partner works 1,2 or 3 days earning up to IR£30, no deductions are made from payment. Earnings over IR£30	Payment is made to the claimant. Where both members of a couple claim UA, the maximum amount payable is the combined amount of one personal rate plus one adult dependant allowance, plus a child

when partner earns more than IR£135 per week.

are halved and deducted from payment.

If partner works 4 or more days earning up to IR£70, no deductions are made. Earnings over IR£70 are halved and deducted from payment.

Note: Means assessed from a partner's insurable employment are always halved.

Total means (from both claimant and partner) are halved in all cases where the partner's income from any source is greater than IR£60.

dependent allowance (if applicable). Each partner receives a payment of 50% of this combined rate.

SUPPLEMENTARY WELFARE ALLOWANCE					
SWA is a weekly payment administered by the Health Boards to people who do not have enough income to meet their needs and those of their dependents. Additional assistance is available for exceptional or urgent need.	Household – Claimant and partner	As for short-term unemployment assistance	All cash income, including most Social Welfare and Health Board payments, the value of any property, investment or savings. Child Benefit payments are excluded. A weekly value of any savings or investments is calculated to assess means: 5% of first IR£400 is calculated and 10% of the balance is calculated to work out yearly value. Yearly value is divided by 52 to	Any income over and above applicable amount is deducted 100%.	Payment is made to the claimant.

			determine weekly value. The value of any benefit or privilege (e.g. free board and lodgings)		
FAMILY INCOME SUPPLEMENT Weekly payment for families with at least one dependent child where either parent is working at least 19 hours a week in low paid employment.	Household – Claimant and partner Hours worked by spouse or partner can be combined.	Payment is 60% of the difference between net family income and prescribed income limit for the family size. (A minimum supplement of IR£10 per week is payable)		FIS is paid for 52 weeks and the rate of payment will generally not be affected by a change in circumstances (other than an additional child) or a change in weekly income for the remainder of the term.	Payment made to claimant.

RENT ALLOWANCE

Payable to tenants of certain dwellings affected by the decontrol of rents before 26 July 1982. Following decontrol, a tenant suffering hardship from a rent increase may qualify for a rent allowance.	Household – Claimant and partner and other non-dependants living at home.	Maximum payment is the difference between original rent (or a specified amount) and new rent. Full payment is received if means are below a certain amount. Allowance is reduced if means are above this amount. Allowance may also be reduced because of non-dependant members of household. For every IR£85 income of other family member, IR£6 is deducted from Rent Allowance.	Up to IR£10,000 is ignored. IR£10,000 - £20,000 weekly means assessed at IR£1 per thousand IR£20,000 - £30,000 weekly means assessed at IR£2.00 per thousand IR£30,000 and over means assessed at IR£4 per thousand	IR£25 of additional income is disregarded for those on a training programme or in part-time employment.	Payment made to claimant.

RENT AND MORTGAGE INTEREST SUPPLEMENTS					
People in receipt of a Social Welfare or Health Board payment may qualify for a rent or mortgage interest supplement if their income is too low to meet housing costs.	Household – claimant and partner	The Health Board determines amount. Generally, the supplement will ensure that income after housing costs is not less than the Supplementary Welfare Allowance rate less a minimum contribution.		IR£25 of additional income is disregarded for those on a training programme or where income comes from a part-time job.	Payment is made to claimant.

£32.45 from October 2001
£33.75 from October 2001
£59.00 from June 2001
£135.00 from June 2001
£200.00 from June 2001
£61.05 from June 2001
£91.25 from June 2001

APPENDIX FIVE

EMPLOYMENT RATES IN THE EUROPEAN CASE STUDY COUNTRIES

Employment rate as percentage of each age group

	United Kingdom		Ireland		Netherlands	
	female	male	female	male	female	male
age						
15-24	53	59	40	46	59	62
25-49	72	87	60	86	70	92
50-64	51	68	30	67	33	63
65+	3	7	3	15	1	6
15-64	63	77	48	71	59	80

Part-time employment as percentage of each age Gr

	United Kingdom		Ireland		Netherlands	
	female	male	female	male	female	male
Age						
15-24	41	25	26	17	67	56
25-49	42	4	29	5	66	10
50-64	53	9	42	8	76	16
65+	87	67	47	21	82	85
15-64	44	8	30	7	68	17

Source: Eurostat 1999

EMPLOYMENT STATUS BY EDUCATIONAL ATTAINMENT LEVEL
OF PERSONS AGED 25 - 59

	UK		IRE		NL	
Employed:	female	male	female	male	female	male
Third level education	27	27	36	27	28	28
Upper secondary level	29	37	36	27	45	45
< upper secondary	44	36	28	47	27	27

Source: Eurostat LFS, 1997

EMPLOYMENT RATES OF WOMEN AGED 30-39 BY MARITAL STATUS AND AGE OF
YOUNGEST CHILD, 1986 AND 1997

1986

30-39	IRE	NL	UK	E12
Single				
No child <15	84	76	82	85
at least 1 child <5	22	33	21	52
at least 1 child 5-9	23	29	43	62
at least 1 child 10-14	33	39	61	73
Married				
No child <15	56	73	82	70
at least 1 child <5	19	31	38	42
at least 1 child 5-9	18	39	60	48
at least 1 child 10-14	26	49	75	57

1997

30-39	IRE	NL	UK	E12	E15
Single					
No child <15	85	88	85	84	84
at least 1 child <5	38	64	44	54	54
at least 1 child 5-9	53	62	53	64	64
at least 1 child 10-14	47	63	60	69	70
Married					
No child <15	81	85	88	75	76
at least 1 child <5	50	59	62	54	54
at least 1 child 5-9	45	55	74	58	58
at least 1 child 10-14	48	61	80	63	64

Source: CEC Employment Rates report, 1998)
CHARACTERISTICS OF LOW-WAGE EMPLOYEES

	IRE	NL	UK	EU13
SEX	Concentration of low wage income			
male	0.5	0.3	0.4	0.4
female	1.7	2.2	1.7	1.8
	Composition (%)			
male	28	19	19	23
female	72	81	81	77
AGE	Concentration of low wage income			
16-24	2	3	2	2.2
25-49	0.7	0.9	0.8	0.8
50-64	0.7	1	1.1	1
	Composition (%)			
16-24	40	16	25	20
25-49	50	66	51	62
50-64	10	17	23	19
EDU LEVEL	Concentration of low wage income			
high	0.3	0.4	0.3	0.4
medium	0.9	1.1	1	1
low	1.4	1.5	1.5	1.4
	Composition (%)			
high	7	9	9	9
medium	43	64	37	45
low	50	28	53	46

Note: low-paid employees working at least 15 hours per week.

Summary: For the EU as a whole, 15% of jobs are low-wage jobs, of which
23% are occupied by men and 77% by women. The proportion of low wages in these two
Categories is, respectively 0.4 and 1.8 times the average proportion.
Concentration index is particularly high for women in Netherlands.
The Netherlands has also the highest proportion of women in part-time jobs.

Source: Statistics in focus, Theme 3 - 11/2000

DISTRIBUTION OF PAID EMPLOYEES AND PROPORTION OF PART-TIME WORK
BY SEX

	IRE	NL	UK	EU13
	Distribution of paid employees			
Male	59	63	54	58
Female	41	37	46	42
Total	100	100	100	100
	Proportion of part-time work			
Male	3	3	3	2
Female	24	42	34	24
Both	11	18	17	11

Note: low-paid employees working at least 15 hours per week
Source: Statistics in focus, 11/2000

Percentage of mothers employed part-time and full-time, for couple mothers and lone mothers, UK, Ireland and The Netherlands, 1994-1997

	UK	Ireland	The Netherlands
	1997	1997	1994
Couple mothers (married/cohabiting) Full-time Part-time All employed	27 40 67	25 14 39	9 35 49
Lone mothers Full-time Part-time All employed	20 40 44	16 13 29	17 17 36

Source: UK LFS 1997, Labour Market Trends; Ireland LFS 1997, CSO; The Netherlands Bussemaker et al (1999)

EMPLOYMENT RATES FOR MOTHERS BY FAMILY TYPE, BRITAIN 1997

Mothers	All	Full-time	Part-time
Couple families	68	27	40
Married	69	27	42
Cohabiting	58	29	29
Partner employed	73	29	44
Partner not employed	32	14	17
Lone mothers	44	20	24
Single	31	14	18
Widowed	46	20	26
Separated	56	26	30
Divorced	48	21	26

Source: LFS, Labour Market Trends Nov 1999, Vol 107 (11): 586

ILO EMPLOYMENT RATE FOR MOTHERS BY FAMILY TYPE - IRELAND 1997

Mothers	All	Full-time	Part-time
Couple mothers	39	25	14
Lone mothers	29	16	13
Couple mothers			
0 dependent children	24	14	10
1 dependent child	45	32	13
2 dependent children	46	30	16
3 or more dependent children	34	20	14
Lone mothers			
0 dependent children	16	10	6
1 dependent child	34	20	14
2 dependent children	38	20	18
3 or more dependent children	30	14	17

Source: CSO, LFS 1997

LABOUR MARKET PARTICIPATION LEVELS OF MOTHERS BY TYPE OF HOUSEHOLD , THE NETHERLANDS 1985-93

	Child under 18		Child under 12	
	1985	1993	1985	1993
Mothers in 2 parent families	28	45	25	44
Lone mothers	24	37	18	31
Widows	14	27	7	24
Divorced mothers	29	40	21	34
Never married mothers	16	29	15	28

Source: Niphuijs-Nell 1997 in Van Drenth, Knijn & Lewis (1999)

Working hours of mothers by week and in hours, by type of household, 1993, the Netherlands

	Average Working hrs per week	Working hours per week				
	Hours	<10	10-19	20-34	35	Total
Mothers in 2 parent families	21	15	29	43	13	100
Lone mothers	28	8	17	40	36	100
Widows						
Divorced mothers	27	8	17	39	36	100
Never-married mothers	29	9	10	40	41	100

Source: Niphuijs-Nell 1997 in Van Drenth, Knijn & Lewis (1999)

EMPLOYMENT RATE FOR MOTHERS BY FAMILY TYPE AND EDUCATIONAL QUALIFICATION – IRELAND 1997

	PRIMARY LEVEL		LOWER SECONDARY LEVEL		HIGHER SECOND LEVEL	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Couple mothers	5	6	12	10	25	12
Lone mothers	10	12	13	16	17	11

Source: CSO, 1997

Employment rate for mothers by family type and highest educational qualification, 1997, Great Britain

		NVQ4/5	
	All	Full-time	Part-time
Couple families	81	41	39
Lone mothers	68	44	24

Source: Labour Market Trends Vol 107: 11.

FEMALE POPULATION AGED 20-49 YRS BY THE NUMBER OF CHILDREN AND BY LABOUR STATUS, UK AND THE NETHERLANDS

	% of female population with given no. of children		of which % Employed	
	UK	NL	UK	NL
No. of children				
0 child	30.8	40.4	85.1	83.3
1 child aged 0-14	24.2	18.4	67.7	63.9
2 children aged 0-14	23.4	21	61.7	60.3
3 or + children aged 0-14	9.7	7.9	45.4	51.4
1 child aged 0-2	16.2	13.9	51.1	61.4
2 children youngest aged 0-2	6.8	6.1	47.3	58.2
3 or + children youngest aged 0-2	4.1	2.7	34.8	48.1
1 child aged 3-5	17.3	13.8	54.4	58.5
2 children youngest aged 3-5	6.1	5.2	60.3	57.9
3 or + children youngest aged 3-5	2.9	2.5	45.1	51.2
1 child aged 6-14	13	9.1	73.7	61.4
2 children aged 6-14	10.5	9.6	71.9	63
3 children aged 6-14	2.8	2.8	61.4	54.9

Source: Eurostat 1999: European LFS, 1998

Labour force participation rate of mothers by number of dependent children, 1991, 1996, 1997, Republic of Ireland

No. of dependent children	1991	1996	1997
One	33.1	42.6	43.7
Two	30.2	43.2	44.3
Three	21.6	33.2	33.3
All mothers	25.7	36.6	37.3

Source: CSO, LFS

Labour force participation rate for Females aged 20-49, 1996, Ireland

Age Group	single	married 0 children	married with children	separated	widowed
20-24	72	81	42	53	31
25-29	88	91	51	55	48
30-34	85	87	52	57	45
35-39	82	78	47	57	46
40-44	79	65	42	56	47
45-49	75	52	36	54	43

Source: Ruane & Sutherland (1999)

Employment population ratio for women by presence of children and partner - Netherlands 1995

Mothers	under 6	6 - 14	above 14	Total
Couple mothers	49	52	49	50
Lone mothers	35	40	39	39

Labour force participation rates of women by presence of children, youngest child and partner – Netherlands 1998

Mothers	under 6	6 - 14	above 14	Total
Couple mothers	55	58	53	55
Lone mothers	43	51	45	46

Source: LFS Eurostat in
OECD 1998

POVERTY RATES OF MEN AND WOMEN
BY AGE - UK, IRELAND, THE NETHERLANDS

	United Kingdom	Ireland	Netherlands
AGE <18			
male	25	24	15
female	25	24	15
18-24			
male	18	11	25
female	28	16	29
25-34			
male	13	11	10
female	17	13	13
35-44			
male	12	16	9
female	15	20	10
45-54			
male	11	17	8
female	14	15	9
55-64			
male	11	18	6
female	15	16	10
>65			
male	23	10	9
female	29	20	8

Note: derived from the 1996 wave of the European Community Household Panel

Source: Statistics in Focus 3-12/2000

PERSISTENT POVERTY RISK INDEX OF PERSONS
BY HOUSEHOLD CHARACTERISTICS, 1996

	UK	IRE	NL
Type of household			
Single <65	75	154	234
Single >65	203	99	50
Couple 0 child <65	26	47	27
Couple 0 child >65	137	54	27
Single parent	288	234	189
Couple + 1 dependent child	45	38	21
Couple + 2 dependent children	60	50	81
Couple + 3 or more dep children	146	180	185
Couple + dep & non dep children	30	69	124
Other	68	65	180
Educational level of household			
High	21	4	33
Middle	82	68	117
Low	192	163	144

Note:
Index 100 = country specific average poverty rate; educational level refers to highest educational level of head and/or partner

Source: ECHP 1996 in Statistics in Focus 13/2000